Provincial and Municipal Finances in Review (Pages 13-21)

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The Nation's Business

Mr. Meighen's Stand for Simpler Government

New Tax Plans Are Halted

Heading Toward National Radio

Large Expenditures Are Foreseen

Tariffs for the Provinces?

ALMOST single-handed, Senator Meighen seems to have saved this country from a hasty plunge into a system of interprovincial tariffs and an untoward increase in tax levies all over Canada.

The government was honestly trying to aid the provinces in their financial difficulties when it sought to give them new taxation powers. But the proposed amendment to the B.N.A. Act was given inadequate consideration. It is well that it has been held up. Instead of solving Canadian financial problems it might have increased them enormously, by encouraging the provinces in a vast extension of their activities and the imposition of new taxes to pay for those activities.

* * *

MEMBERS of the Senate Banking and Commerce committee are meeting this week at Ottawa to probe the truth of Senator Meighen's startling accusation that the proposed amendment to the B.N.A. Act, in respect of provincial taxation, shatters the very framework of Confederation in this country. He claims that the suggested amendment, giving the provinces power to impose indirect taxation opens wide the pathway for interprovincial tariff barriers via the route of discriminatory sales taxes.

Were the amendment to pass, says Mr. Meighen, it would permit any province to tax, by any desired amount, the merchandise of a firm operating outside its borders, and at the same time exempt similar merchandise made by its own domestic firms.

He cites the new sales tax law of New Brunswick, which was passed on April 24, and, which he claims, provides just such discrimination. He expresses the view that such a law is ultra vires at present but would become immediately intra vires if the Privy Council were to amend the B.N.A. Act as requested by the government.

The contentious measure had already passed the House of Commons and merely awaited Senatorial approval when Mr. Meighen made the first of his revealing addresses.

* * *

GENESIS of the proposed amendment (which is coupled with another amendment to permit formation of a federal loan council and federal guarantees) can be traced to the federal-provincial parley last January.. At that time a sub-committee on finance reached apparently unanimous agreement that the easiest pathway of financial relief for nine harassed provinces was to obtain a B.N.A. Act amendment to permit the levying of provincial sales taxes free from the constant constitutional threat of being ultra vires as indirect taxation. In short, it was admitted that the provinces needed more revenue. This was thought to be the easiest, most amicable way to obtain it.

At the moment, Mr. Meighen seems to have averted what might have been a major error by challenging this hasty and apparently ill-considered proposal. Millions of legal and theoretical words have been spoken since Confederation about the B.N.A. Act. Most of this outpouring has centred around the pros and cons of amendment and methods of procedure. It took us 70 years to decide how to amend the B.N.A. Act. Yet the country was willing to jump into major amendments with practically no discussion of what they might mean.

* * *

THE larger issue that is involved is the duplication of government and taxation in Canada. It requires intensive study. Steps should now be taken toward a careful, expert review of federal-provincial finance as related to the constitutional question. Finance Minister Dunning stated during the Commons debate there is an imperative need for broadening the base of provincial taxation. Perhaps there is a better way; to curtail provincial powers. It would be folly to take the easiest, quickest way out without careful consideration of the whole broad field of federal-provincial powers and finance. Such a study has apparently not yet been made.

* * *

The Future Of Radio

WHEN the parliamentary committee on radio broadcasting faced the issue of public versus private control of broadcasting in Canada, it did what previous committees have done: it straddled the fence. It expressed a pious wish that ultimately all radio in Canada should

(Continued on page 2, col. 4)

Get-together On Rail Fight Seen Coming

Quebec Legislature Clips Proposed C. P. R. Extension

C. N. R. TO BUILD

From Our Own Correspondent

OTTAWA.—While the northwestern Quebec branch line dispute is still being waged on two fronts—at Quebec and at Ottawa—the outline of a compromise is taking form.

The Quebec legislature has cut down the mileage in the C.P.R. bill to a relatively small part of the original proposal. Coincident with this, the Dominion government has announced legislation authorizing a Canadian National branch line covering the more important of the territory denied, at Quebec, to the C.P.R.

Big Cut

The original C.P.R. bill proposed an extension running from Angliers to Noranda, thence circling to the south and crossing the transcontinental line at Senneterre and then going north and east. The Quebec legislature has stopped the proposed line at Noranda, restricting the C.P.R. to a branch line from Angliers to Noranda. While this may appear to be harsh treatment and while the privately-owned company has hesitated about accepting the charter in this truncated form, it is common knowledge that the National railways bitterly resent the invasion of Noranda. The Noranda district is a very valuable freight area.

On the other hand, the proposed government bill will authorize a 99-mile branch line from Noranda to Senneterre to cost $6 millions and to give rail service to many mining properties, including Canadian-Malartic, O'Brien, McWatters, etc. Construction will be carried out this summer.

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Southern pine bogey reappears as threat to future stability of Canadian newsprint industry. Page 12

Earl Rowe, M.P.

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Solloway Clients "Holding the Bag" As Millions Vanish

His Arrest Raises Question of Disposal of Huge Sums

Arrest of I. W. C. Solloway, former president of the bankrupt brokerage firm of Solloway Mills & Co., on warrants charging theft of $2.3 millions from the company, has awakened interested speculation among the customers, creditors and clients of the company as to whether or not any of this money can be recovered.

The customers have had nothing at all to date out of the whole mess and most of them are furious at the knowledge, disclosed by O. E. Lennox in a judgment handed down last February, that the company had been consistently stripped of all its best assets without authorization or accounting in the period preceding bankruptcy. This stripping occurred in the face of an undertaking given to the former Attorney-General, Hon. W. H. Price, that the assets would be conserved and applied to meet claims of customers and creditors and that all dividends and withdrawals already made would be restored.

Instead of adhering to this undertaking large sums were withdrawn and the company went into bankruptcy with book assets at the time proved worthless. Revival in value of some of the penny stocks have restored assets to a real cash value of something like $29,000, almost a bagatelle in comparison with the millions of dollars previously withdrawn.

Where is the Money?

The only recourse for the liquidator is to get back at least part of the huge sums withdrawn. Some doubt whether or not many hundreds of thousands of dollars remain of the millions withdrawn. Some believe that the assets are largely intact at Nassau or some place outside Canada. Some believe that some person else holds the assets in his or her name. And some people profess to believe that the various lawsuits and fines and losses of Mr. Solloway have taken it all. He is known to have made money out of mining in the last few years. One statement two years ago showed his assets to be considerable. But at the moment it is probable nobody but Mr. Solloway knows just how much he owns or how little.

Mr. Solloway will have another opportunity in a Toronto court to defend himself against charges of theft. The warrants for his arrest were sworn out by Stanley Thompson, investigator of the Securities Frauds Commission, on instructions from John M. Godfrey, Ontario Securities Commissioner. Mr. Solloway was brought to Toronto from Montreal by Inspector Al Boyd of the Ontario police.

Improper Dividends

The judgment handed down on February 8 by O. E. Lennox, assistant master of the Supreme Court, held Mr. Solloway accountable for sums totalling $2.5 millions.

Mr. Lennox stated Mr. Solloway had permitted payment of improper dividends reaching $1.6 millions. They were improper because the company was showing large operating losses at the time and various claims of large amounts were pending from clients and creditors. Criminal prosecutions were also threatened. It was stated that Mr. Solloway had personally received $748,000 out of $750,000 paid in one of the dividends. A second dividend of $875,000 was also not considered as being justified. His sale of 500,000 shares of McDermott Gold Mines shares for $500,000 of the company's bonds was also criticized as improper under the circumstances. The dividends were paid back in 1929 and 1930.

The Assistant Master found that the vast sums of money under the control of the broker were the direct result of trading against its customers. The available cash which made possible these most extensive operations was advanced by customers as margin.

Solloway Mills & Co., Dominion company, went into liquidation in March, 1932. A misfeasance summons was issued against Mr. Solloway on June 12, 1934. Delays occurred but the hearing began in June, 1935, and the Lennox judgment came last February. Now comes the arrest for theft and customers are hoping they may get somehow some of their own back again as a result of the enquiry soon to begin.

THE SILVER LINING

The little Municipality of Matsqui, B.C., believing in the importance of mining as a backlog to economic welfare, is making all relief payments in freshly minted new Canadian silver dollars. Above (left), Reeve A. G. Cruickshanks, who is credited with originating the idea, is shown giving a handful of silver dollars to a relief recipient.

Falling Rates Cause Concern

Grain Freights Down a Third and Still Uncertain

From Our Own Correspondent

OTTAWA. — The government is much concerned by the situation in lake shipping. Grain rates from Fort William to Montreal have fallen from a nominal six cents a bushel at the opening of navigation to a nominal four cents at the present time. Some distress space is actually being offered at less. Such a rate basis threatens the continued ability of lake shipping companies to maintain their financial position.

Threat to Rails

In addition railway rates and rail traffic from Georgian Bay ports are threatened by cut-throat competition of lake vessels for business formerly considered the prerogative of the railways. The government is also concerned lest expectation of lower rates may delay movement of grain down the lakes, and although grain stocks available are sufficient for immediate export requirements, later interference with a satisfactory rate of export business is feared. While some authorities believe the present lull in grain shipments out of Fort William is only a temporary phenomenon, it is understood the government feels the need of exploring the situation.

Barcelona Net Up Pays 75c Dividend

Dividend of Barcelona Traction Light & Power Co. has been increased from 50 cents a share paid in 1935 to 75 cents a share, payable June 29 to shareholders of record June 19. Earnings in 1935 were $1.68 a share as compared with $1.56 a share in 1934 and in the first four months of 1936 there has been an increase in gross earnings of 1.74 per cent and of net earnings of 2.57 per cent over the same period of 1935, as measured in pesetas.

In other words net earnings for the four months amounted to 27.7 million pesetas as compared with the first four months of 1935 of 27.0 million pesetas. For all of 1935 the net earnings were 78.4 million pesetas and for 1934 75.4 million pesetas.

Lindsley Interests Option Great Falls

From Our Own Correspondent

WINNIPEG, Man.—At a special general meeting of shareholders of Great Falls Mining & Smelting Ltd., action of the directors in signing an option agreement with A. J. Milligan, representing Thayer Lindsley was ratified.

Government Finances Reviewed in Detail

Are you an investor in provincial or municipal bonds?

A new and valuable feature of The Financial Post's 22nd annual government and municipal survey which is presented this week is a detailed analysis of the financial position of every province and city in Canada. This is in addition to the financial statistics which have been given in the past.

At one time municipal and provincial bonds were classed with Dominion government bonds as high grade bonds. There were few exceptions. Unfortunately the experience of the past few years has changed this and it is essential that each case be examined on its merits. Because of defaults and impairment of municipal credit, municipal bonds have fallen into discredit with a great many investors. An examination of the reports reviewed in this issue will reveal, however, that there are a great many municipalities which have maintained excellent financial positions. Some have even improved their credit.

Group of 8 To Query Plan Of Aberhart

Alberta Bondholders Unite to Protect Investments

FEAR FOR CREDIT

The committee to represent the interests of bondholders in connection with Alberta's default is to consist of 8 nominees of widely scattered investor groups.

The actual personnel of the committee will be announced shortly.

Action to form the committee has been initiated by investment leaders, who are concerned over weakening of the national credit of Canada.

One member of the committee will represent private Canadian investors, another will represent insurance companies and their policyholders, and a third will be representative of trust and loan firms.

Representation From Abroad

American bondholders will have representation. So will British investors. A Canadian bank man and representatives of bondholders in western Canada will also be members.

One of the first aims of the committee is expected to be to study Alberta's capacity to pay; to ascertain whether the province is really incapable of meeting its obligations.

Bondholders feel that the provincial government is simply assuming that Alberta's bond obligations cannot be met and that this is a question that remains to be answered.

Broad powers to negotiate with the government may be given to the committee, but without binding bondholders irrevocably.

Market Vanishes

Disappearance of the market for Alberta bonds, de-listing of issues in London, and announcement of plans to form a bondholders' committee were among the first reactions to the announcement by Premier Aberhart that after June 1 the province will pay only half the interest on its bonds.

By halving its interest payments, Alberta's Social Credit government expects to reduce the average rate on the provincial debt from about 4.9 to 2.5 per cent. The provincial government expects to save about $3 millions annually.

Bond Dealers' View

The Investment Dealers Association of Canada announces through its secretary, J. A. Kingsmill, that it will co-operate in formation of the committee to investigate the province's affairs.

Early reports from Edmonton indicated that the Association would not take an active stand in opposition to the interest reduction. Describing these reports as misleading, Mr. Kingsmill stated:

"Believing that the whole situation should be thoroughly explored we have agreed to aid in the formation of a bondholders' committee and it is the intention to co-operate as completely as possible with the province in the solution of its fiscal problems, having regard to the maintenance of the bondholders' rights.

"It is naturally too early for the Association to make any definite commitment as to future action but once the financial situation in Alberta has been investigated, it is hoped that a reasonable course for the future can be established."

Refunding Deferred

In announcing the halving of interest rates, Premier Aberhart said the refunding act—calling for permanent reduction of interest—is not being proclaimed at present. It was suggested, however, that if there is active opposition to the halving of rates, the permanent refunding of all provincial bonds would be proclaimed.

Breakdown of the Dominion loan council plan and the possible outcome for Alberta are outlined on Page 13.

Retail Sales Continue Gain

Steady improvement in retail sales in 1936 is confirmed by official indices compiled by Dominion Bureau of Statistics. New figures for April show a gain after adjustment of almost 2 per cent. Largest increase was in dyeing and cleaning chains which did 13 per cent more business than a year ago. Hardware sales were up 10 per cent and both music and radio and variety stores moved up 4 per cent.

Other important figures released during the week include:

		—Change—	
		From prev. period	From prev. year
Monthly:	April	%	%
Motor car sales:			
Passenger, No.	17,264	+46	+12
Trucks & buses, No.	3,394	+59	+22
Cattle sales, No.	77,875	+26	+21
Hog sales, No.	74,822	— 3	— 8
C. P. R., net rev.	$1,837,457	+0.7	— 5
C. N. R., net rev.	1,455,306	+54	— 4
Bldg. contracts*	14,962,800	+52	— 8
Boots & shoes	74.0	—0.6	+0.1
Candy	65.9	+15	— 6
Men's clothing	64.9	+0.3	—0.1
Women's clothing	61.5	+ 3	+ 3
Departmental	69.6	— 3	— 4
Drugs	76.3	+ 3	+ 3
Dyers & cleaners	79.6	+13	+13
Furniture	74.0	+ 6	+ 3
Groceries & meats	72.5	— 8	—0.7
Hardware	85.8	— 6	+10
Music & radio	46.6	+ 6	+ 4
Restaurants	52.1	— 4	+ 2
Variety	90.4	+10	+ 4
General index	70.7	— 1	+ 2
Weekly:			
Car loadings, No.	44,004	— 2	+ 7
Cattle sales, No.	13,280	—16	+ 4
Hog sales, No.	13,629	..	.. 4

* May.

Threat to Business And Confederation Seen in Tax Proposal

National Distributors Join Meighen Fight Against Special Levies

Led at Ottawa by the brilliant logic of Senator Arthur Meighen, retailers and manufacturers in Canada have wakened in the past week or two to find the threat of provincial tariffs dumped almost inside their very doorway.

Bit by bit they are piecing together the startling story uncovered by Mr. Meighen at Ottawa ten days ago and culminating (they hope) with the hearings this week before the Senate banking and commerce committee.

If these hearings do not completely scotch this tariff threat raised by the proposed Commons amendment to the B. N. A. Act, their last hope is the Conservative majority in the Senate which Mr. Meighen is admittedly loath to use. That he will use it if necessary to kill the proposed amendment is considered almost certain, however.

Begins With Parley

The story begins at the federal-provincial parley held in Ottawa last December and continued in subcommittee form through January.

Here representatives of the ten jurisdictions sought the solution of various vexatious problems one of which was to find a formula for widening the tax base of financially-harassed provinces. Another was to lay the foundations of a loan council plan to permit federal intervention in provincial loan and debt-refunding schemes.

Apparently the quickest formula for broadening the tax base of the provinces was seen in a proposed amendment to section 92 of the B. N. A. Act which would legalize "indirect" taxation in the provinces by extending their jurisdiction to include retail sales taxation on goods other than liquor, tobacco, etc., sold within their provincial borders.

Would Be Retroactive

The amendment would have placed the right of the provinces to impose sales taxes, gasoline taxes, amusement levies, fuel oil taxes and so forth beyond effective challenge—would have actually been retroactive so as to legalize any such tax measures now on provincial statute books. Actually some of these taxes are now imposed but the validity of many of them is in doubt—a doubt which would have been entirely removed with the passing of such a constitutional amendment.

At the same federal-provincial parley another B. N. A. Act amend-

(Continued on page 2 col. 6)

Canadian Cottons Head Pessimistic

Tariff Situation Makes Outlook Uncertain; Sales Higher Says Dawson

From Our Own Correspondent

MONTREAL.—Japanese competition in the rayon field is the more serious problem confronting the textile industry at the moment, according to a statement made by A. O. Dawson, president, at the annual meeting of Canadian Cottons shareholders. To meet the problem, Mr. Dawson hoped that the Government would establish a valuation for duty purposes on rayon. Meanwhile as warps are run out, looms are being stopped and if assistance is not received soon it may mean the laying off of employees.

For the first two months of the current fiscal year, April and May, sales of Canadian Cottons have shown only a moderate increase, about 10 per cent in value, but owing to reduction in prices, profits are probably even lower.

Competition with England, linked up with recent cuts in the tariff, were other factors affecting the welfare of the industry. Mr. Dawson said the labor cost here was about double that of competing mills in England.

The Ottawa agreement will come up for revision shortly and it is not known whether further tariff changes will be made as a result.

Without some measure of protection to equalize difference in cost, Mr. Dawson said the Canadian cotton industry would find it impossible to operate. However next year he hopes that the uncertainty, at least, will have been removed from the situation.

Financial Houses Reduce Interest

Following in the wake of the chartered banks, whose reduction in interest paid on deposits was effected this week, other financial institutions have made plans for corresponding decreases.

It is understood the larger trust and loan companies have reached a decision to pay an even 2 per cent on savings from July 1. This will maintain the ½ of 1 per cent margin between the rate paid by these companies and the banks, and will halve the rate in effect prior to 1933.

The Province of Ontario Savings Office will also cut its rate on July 1. The reduction will be from 2½ to 2 per cent on balances up to $10,000 and from 2 to 1½ per cent on those in excess of that amount.

Hydro in North Loses $52,789

Abitibi Canyon Plant is Major Asset in Northern Ontario

Net loss of $52,789 for the year ended Oct. 31, 1935, is shown in the accounts of Northern Ontario properties of the Hydro-Electric Power Commission of Ontario published this week. It is expected this small loss will shortly become a surplus due to increasing sales of power in northern mining and newsprint areas.

Total deficit is $506,000 and is attributable largely to the Hydro's usual policy of setting up generous reserves for sinking fund, renewals, obsolescence and contingencies.

Major balance sheet items are:

Hydro's Northern Ontario Properties

Assets:	Oct. 31, 1935
	$
Fixed	30,739,705
Current	1,227,513
Deferred	121,447
Special funds	1,475,621
	$33,564,286
Liabilities:	$
Funded debt	17,638,118
Current and accrued	6,248,859
Deferred	2,843
Reserves	1,140,356
Ontario equity	8,534,119
	$33,564,286

Abitibi district development at $25 millions, consisting chiefly of Abitibi Canyon power site, forms the bulk of fixed assets.

Funded debt is $17,627,000. Current liabilities include a loan of $4.5 millions from the Bank of Montreal.

Equity of the province of Ontario is $8.5 millions after deducting accumulated deficit of $500,000.

Bonds Outstanding

It will be recalled that the $17,627,000 of funded debt consists of Hydro bonds issued in exchange for bonds of the former Ontario Power Service Corp., which initiated the Abitibi Canyon project but was unable to complete it.

Interest of 3½ per cent on these bonds rises to 4 per cent from Oct. 1, 1937 and to 5 per cent from Oct. 1, 1952. Before that time there is the possibility that the issue will be redeemed at 100 for refinancing.

Weston Dividend Now on 80c Basis

With declaration of 20 cents a share on 375,882 no par value common shares outstanding, directors of George Weston, Ltd., have placed the stock on a yearly basis of 80 cents. This will require $300,706 yearly as compared with $206,640 paid on common in 1935 and $180,695 paid in 1934 and $65,906 paid in 1933 and $50,000 yearly in the preceding three years.

Earnings available in the last two years have exceeded $400,000 each year. In the first quarter of 1936 there was substantial improvement which is being maintained in the second quarter, says F. W. St. Lawrence, vice-president and general manager. Latest dividend is payable July 1 to shareholders of record June 20.

Lake of Woods Consolidates Floating Debt Position

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Co. is understood to have entered into an arrangement whereby the Canadian Bank of Commerce and the Bank of Toronto have taken up $2 millions of short term bonds, proceeds from which will be used to reduce the company's floating indebtedness to less than $1 million.

At the end of last August, Lake of the Woods bank loans totalled over $2.8 millions, against which the banks held $4 millions of 6 per cent first mortgage bonds as collateral. The new bonds are said to be for a term of five years, carrying a relatively low rate of interest.

Consequent upon this financing, the working capital position of the company will be strengthened and an unconfirmed report is that the directors will take up the matter of cleaning up arrears of dividends on the preferred stock. These arrears amount to $28 a share, and while there is no indication of them being paid off in a lump sum, it is possible that over a short time they will be reduced to negligible proportions, if not entirely liquidated.

Last year Lake of the Woods showed earnings of $21.49 a share on the preferred, as against dividend requirements of $7 a share. Current operations are reported as satisfactory, with earnings as good, if not better, than last year.

Radio Report Is Acceptable Compromise

Insists on Full Co-operation With Private Stations

WHO WILL MANAGE?

Compromise report of Parliamentary committee on Radio Broadcasting follows lines acceptable both to those who believe in government operation and those who want the private stations to have more leeway. The way is left clear for eventual government control or ownership, if it should at some time seem advisable, but it has also been recommended that in the period which must intervene before Canada can afford a costly government-controlled system to give full co-operation to the private stations.

If Parliament gives effect to the recommendations there will be a general manager for radio broadcasting. The report says it has been amply demonstrated that "a commission of three (as at present) cannot be molded into a unit that can formulate and execute policies successfully." It asks dismissal of the present commission.

The members also recommend an honorary board of nine governors to take the direction of broadcasting. Men of broad outlook should be selected from all parts of Canada.

Will Fill in Blanks

R. W. Ashcroft, sponsor of what has been called the Ashcroft plan, and who arranged a number of Dominion-wide broadcasts before the Radio Commission took over, feels that the new system will permit excellent co-ordination of the work of the public broadcasting body and of the private stations. He thinks it will work out that private stations will supply nearly all the needs of Central Canada and populous areas while the government body will co-operate to see that programmes are available for areas not so well covered. Between the two he thinks it likely that a stand-by service for 12 hours a day available all over Canada can be provided on a take it or leave it basis.

Pleased at Co-operation

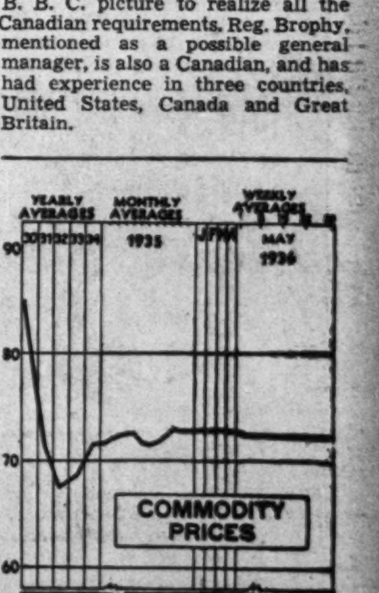
H. Sedgewick, managing director CFRB, states that the Canadian Association of Broadcasters feels that the radio situation will be improved materially by the acceptance of the committee recommendation favoring a general manager instead of a radio commission. Much will depend on the experience and ability of the general manager chosen and the backing given him by the council to be appointed.

As far as the private stations are concerned they are most pleased with the recommendation calling for full co-operation with the private broadcasting stations. The private stations will in any event have to provide 90 per cent of the broadcasting entertainment to the people of Canada unless the whole broadcasting business is put under government control and supervision. That would cost $15 millions as against $1.5 millions now provided by Ottawa. In 1929 the Aird Commission thought $5 millions yearly would cover it but a lot of water has flowed under the bridge since then.

Advertisers Essential

The revenue from advertisers is absolutely necessary to give efficient radio entertainment, he believes, and especially as Canadians can tune in their instruments to United States programmes at any time. If onerous restrictions on time and revenue-earning possibilities of private stations are lifted, as they seem likely to be under the new plan, private stations can greatly improve their service.

Private station operators are convinced there are Canadian experts fully apprised of the Canadian situation and capable of doing the work of general manager acceptably for the government. Major Gladstone Murray, who is mentioned, has unquestioned ability, but some fear he may be too close to the B. B. C. picture to realize all the Canadian requirements. Reg. Brophy, mentioned as a possible general manager, is also a Canadian, and has had experience in three countries, United States, Canada and Great Britain.



UNCHANGED

Whole commodity prices were unchanged in the week ended May 29 at 71.8, according to the index compiled by the Dominion Bureau of Statistics.

MEN'S SHOP

Something New In Sport Shirts

The "COLLEGE STREET"

Distinctly out-of-the-ordinary is the new "College Street" sport shirt! It is tailored specially for the Men's Shop from fine textured cotton Oxford cloth. Fastened with loop button-holes at the neck, it may be worn open, fully buttoned, or with a coloured kneckerchief. The broad lapelled collar looks equally well when the shirt is worn with or without a jacket. The back is smartly pleated and full for comfort. Colours—white, blue and tan. Sizes 14 to 17 1/2. The price $3.50.

Phone AD. 5011 or AD. 5511

MEN'S SHOP

Bay Street Section

EATON'S - COLLEGE STREET

Montreal Exchange Elects Five Governing Members

From Our Own Correspondent

MONTREAL. — Members of the Montreal Stock Exchange have elected five new governing members, provision for which was made in the recent change in the by- laws. Those elected were: Henri Garneau, Garneau and Ostiguy; R. N. Hickson, of Hickson and Yuile; William Leggat, of Legatt, Cassils Co.; G. E. McCuaig, of McCuaig Bros. & Co. and G. H. Turpin, of Turpin & Co.

The governing membership is limited to five and is reserved for partners of members who will be elected annually to sit on the governing committee whose members will now total 14.

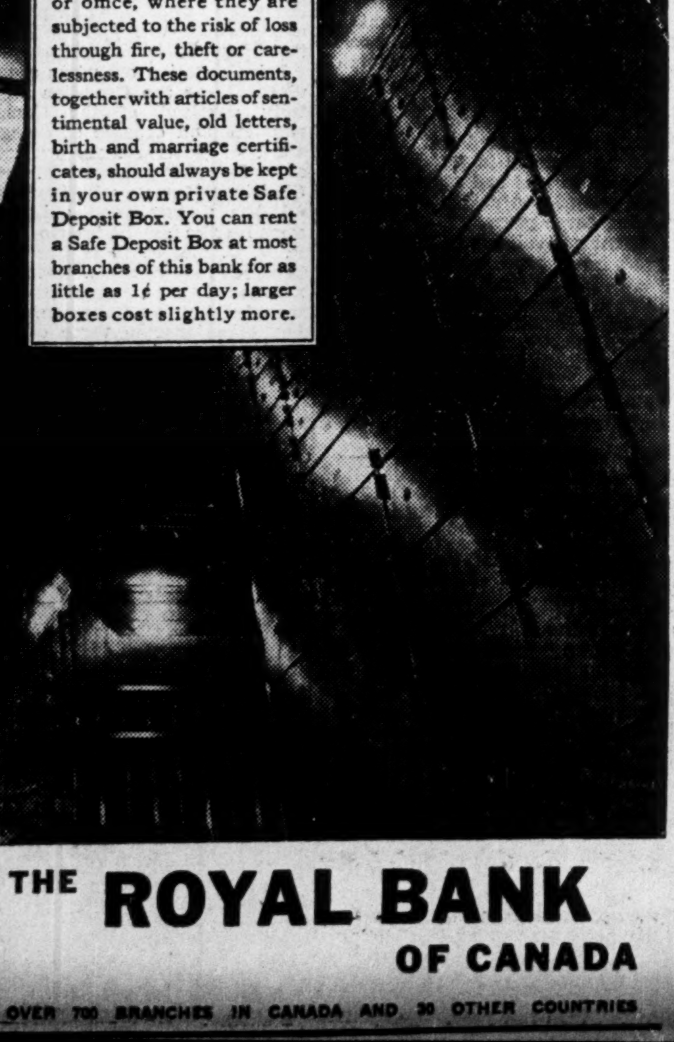
Ontario Hydro Refunding Results in Large Saving

The Hydro-Electric Power Commission of Ontario has sold $10 millions of 2½ per cent 8-year bonds to a syndicate headed by the Bank of Montreal. The bonds were sold at a price of 98.91, which gives a cost to the commission of 2.65 per cent. Proceeds of the issue are to be used for the purpose of refunding the commission's share of province of Ontario loans which have matured or will mature in the current year. This is in keeping with the announced policy of the Hydro Commission that in future it will do its own financing. Bids for the various options offered in the call for tenders were as follows:

Syndicate I: Bank of Montreal; Bank of Nova Scotia; Bank of Toronto; Dominion Bank; Imperial Bank; McLeod, Young, Weir; Bell Gouinlock & Co.; Mills, Spence & Co.; Fry & Co.; McTaggart, Hannaford, Birks & Gordon; Midland Securities Co.; Harrison & Co.; Cochran, Murray & Co.

Syndicate II: Dominion Securities Corp.; Wood, Gundy & Co.; A. E. Ames & Co.; Royal Bank, and Canadian Bank of Commerce.

Amount	Rate	Term	Syndicate I	Syndicate II
$10,000,000	2½%	8 yrs.	98.91	95.739
$ 5,000,000	2½%	8 yrs.	no bid	96.569
Option on further $5,000,000				
$10,000,000	3%	15 yrs.	94.78	no bid
$ 2,500,000	2¾%	12 yrs.	no bid	94.149
Option on further $7,500,000				



Your Own Private Safe

Your will, securities, deeds, insurance policies, and similar valuable papers, should never be kept at your home or office, where they are subjected to the risk of loss through fire, theft or carelessness. These documents, together with articles of sentimental value, old letters, birth and marriage certificates, should always be kept in your own private Safe Deposit Box. You can rent a Safe Deposit Box at most branches of this bank for as little as 1¢ per day; larger boxes cost slightly more.

THE ROYAL BANK OF CANADA

OVER 700 BRANCHES IN CANADA AND 30 OTHER COUNTRIES

C.M.A. Critical of Government Aid to Jobless

Government Aid for Apprenticeships Said Unnecessary

MORDEN SPEAKS

Opposition to government interference in establishment of an apprenticeship system in industry, now said to be under consideration by the National Employment Commission, was voiced this week at the annual meeting of Canadian Manufacturers Asssociation at Quebec.

In the report of the executive council the association's industrial relations committee says: "While it is highly desirable that as business improves, steps should be taken to train an increasing number of apprentices, no good reason has been shown why this cannot be done better by various industries than under a scheme laid down by legislation."

The committee voiced approval of the appointment of Arthur B. Purvis to head the commission and emphasized that not more than 20 per cent of the 330,000 jobless Canadians were industrial workers. The chief responsibility for re-employment was laid at the door of primary producers, transportation, commerce, services and other non-industrial occupations.

Codes Retard Recovery

Criticism was also levied at the industrial codes of Alberta, Ontario and Quebec. "What purports to be a measure for putting a stop to the payment of unduly low wages has turned out to have the effect of aiding organized labor to increase unionization and to maintain or even raise wages.

"This legislation has actually retarded recovery without achieving to any marked extent the elimination of sweat-shop wages."

Membership in the association was placed at 80 per cent of the "industrial production of eligible Canadian firms" and though 192 members were admitted during the year, 369 memberships were cancelled of which 140 were due to arrears in membership dues. Some 53 firms were re-established as members.

Tribute to Industry

In his presidential address, W. S. Morden, K.C., drew attention to the widespread stake of manufacturing in the Canadian economy.

"Approximately 83 per cent of Canadian manufacturers' production is used in Canada, and they have succeeded in finding markets in over a hundred other countries for the remaining 17 per cent. Those who receive salaries and wages from Canadian factories with their dependents constitute at least one-quarter of the entire population of Canada.

He claimed that from 80 to 85 per cent of farm products of Canada are used at home and only 15 to 30 per cent exported. "Consequently the domestic market in Canada which is now worth four or five times more to Canadian farmers than all export markets combined has become increasingly valuable and essential because of the growing tendency of other countries to produce their own food supplies. Canadian industry and agriculture are consequently interdependent and complementary."

Dominion Loan Well Received

Refunding of its 1936 maturities totalling $187 millions and $20 millions of new money is sought by the Dominion government in its new flotation of $207 millions announced on June 2.

While the loan has been expected in bond market circles for several weeks its form was somewhat unexpected in that only $20 millions of the loan is to be sold for cash, the remainder being offered in exchange for maturing bonds.

Success of the loan appears to be assured. The cash portion of the loan was over-subscribed even before the books were opened and it is not expected that there will be any difficulty in carrying out conversion of the maturing bonds.

The $20 millions portion of the loan which is being offered for cash consists of 30-year 3¼ per cent bonds, due June 1, 1966. The bonds are being offered at 99 and accrued interest to yield slightly over 3.30 per cent.

Conversion Offer

Under the conversion offer holders of bonds maturing in 1936 have the privilege of converting their holdings into either 4-year 1½ per cent bonds or 30-year 3¼ per cent bonds. The issue price of the 4-year 1½ per cent bonds is 99.50, yielding 1.63 per cent to maturity, and of the 30-year 3¼ per cent bonds, 99, yielding 3.30 per cent.

The maturing bonds which are eligible for conversion are as follows:

$45 millions of 1½ per cent bonds due Sept. 15, 1936, valued at 100.32 for conversion.

$63.3 millions of 2 per cent bonds, due Oct. 15, 1936, valued at 100.44 for conversion.

$79.5 millions of 5 per cent National Service Loan bonds due Nov. 15, 1936, valued at 101.83 for conversion.

A cash adjustment, being the difference between the price to be allowed for the maturing bonds and the issue price of the new bonds, will be made in favor of each conversion subscriber and, by reason of this adjustment and the interest payment on the new investment, holders of bonds accepted for conversion will receive at least the equivalent of the interest return which would have been received on the converted bonds until maturity.

Metal Prices

New York—June 2—
Copper: Electrolytic spot and future, $9.50.
Silver: 44¾c.
London—June 2—
(Long Ton)—
Copper: Electrolytic spot, £40 10s.; future, £40 17s. 6d. Standard spot, £36 8s. 9d.; future, £36 15s.
Tin: Spot, £192; future, £188 15s.
Lead: Spot, £15 7s. 6d.; future, £15 10s.
Zinc: Spot, £14 3s. 9d.; future, £14 10s.
Gold: 139s. 2d.
Silver: 19⅞d.
Canada—June 2—
Gold: $34.86.

The Nation's Business

(Continued from page 1)

come under national ownership; but it would not recommend that such a policy be now put into effect.

However, adoption of the committee's report must mean the early extinction of the private stations, not by purchase or cancellation of their licenses, but by methods more indirect. The minister of marine, in licensing new stations, is directed to keep in mind that the ultimate aim is a government-owned chain of stations with no private competitors. And the Canadian Radio System, which sells radio time and operates stations on its own, is to be given power to control the operations of the private stations and to draw up the regulations that shall govern them. This is about the same thing as making the board of directors of the Canadian National Railways and the Board of Railway Commissioners synonymous. One would wonder what chance the Canadian Pacific would have to survive. The answer probably is: about as much chance as the remaining private stations will have to survive in Canadian radio.

* * *

APPOINTMENT of a general manager to run the Radio Commission may be a good move. The answer depends upon who gets the job and how much freedom he has to run radio without constant political interference. He will have to spend much money and it is not likely that the Canadian people will be satisfied with the sort of radio service they will get from the license fees they pay. The committee saw fit to repeat the observation of the 1934 committee that

> "the establishing of national broadcasting in Canada presents many difficulties, for the correction of which time, experience and large expenditures of public money will be necessary."

The taxpayer and radio license holder may as well make up his mind that the "large expenditures of public money" will be made. They always are.

* * *

THERE is more to the problem of radio in Canada than the question of private versus public ownership. Distances are great here and the population is small. The land line cost in any national network programme is so great that we are unlikely ever to have many sponsors willing to pay the cost. There are more economical and effective ways to advertise than over the air in Canada. So far as commercial propaganda is concerned, the Canadian ether is likely to be dominated by the overflow of American sponsored programmes. What field remains then for coast-to-coast radio? It must lie in other directions—education, music, public affairs, drama, etc. It is in these directions that the Canadian Radio Commission has done its best work, despite the handicaps of heavy technical costs.

We can use radio in Canada as an instrument of cultural development, much as it is used in Britain. If we are going to do so, there will have to be a better chance for Canadian artists, orchestras and institutions who often find themselves in the position of being ignored in order that the Canadian network may be used to rebroadcast American programmes.

The expense will be great. When it pointed out this fact, the committee struck the truth. And this fact will defer the final solution of the radio problem in Canada. This country is not in a position to undertake large new expenditures of any kind.

Darwin's New Vein Continues Strong

Widths of 2 ft. and Values of $59.50 Reported on 6th Level

The interesting new vein uncovered recently on the sixth level of Darwin Gold Mines, Michipicoten producer, continues to stand up well in values, a wire received recently by H. R. Bain & Co., in Toronto, indicates.

Latest reports, The Financial Post is informed, reveal that drifting has been carried on for nearly 50 ft. in the vein matter, and that average values to date are $59.50 over widths of two feet.

The new discovery, which apparently has no relationship to the ore bodies on the higher levels, was located 100 ft. south of the new shaft, on the 6th level. It is seen as substantiating the opinion expressed some time ago by M. H. Frohberg, mine manager, that greater widths would be encountered at depth.

Company Reports

Castle-Trethewey Mines

Substantially increased market value and higher earnings per share, are shown in the annual report for Castle Trethewey Mines, for the fiscal year ended March 31, 1936.

Marketable securities, less reserves, and not including shares in Omega Gold Mines, had a market value at March 31 of $1,845,000. as compared with a securities having a market value of $1,284,000 at the end of the 1935 fiscal year.

Net profit for the year amounted to $40,534, as against a net profit of $25,158 in 1935. Earnings per share amounted to $0.015, as against $0.009 the previous year.

Advances to Omega Gold Mines, the Larder Lake producer, total $652,503, which is payable out of first earnings. Castle Trethewey now holds 2,560,000 shares of Omega's 5 million share authorized capitalization.

J. P. Bickell, president, points out that instead of improving, silver prices have weakened, and the company's property at Gowganda remains idle.

The balance sheet as at March 31 shows current assets of $744,551, including cash of $42,405. Current liabilities amounted to $353,648, of which $350,000 was bank loan payable in U. S. funds. Working capital amounted to $390,903, as compared with $1,002,466 at March 31, 1935. Bank loans shown in current liabilities were in connection with the Omega financing.

Following is the income and surplus statements for the two fiscal years 1935 and 1936:

Income and Surplus Account
(Years Ended March 31)

	1936 $	1935 $
Dividends earned	52,834	39,400
Int. and exch. earned, net	3,126	2,097
Sundry revenue	1,985	1,692
Total income	57,945	43,189
Less: Gen. exps. at mine	1,493	1,444
Corporate, trans. & adm.	12,737	13,853
Insurance	1,649	1,648
Taxes and rentals	1,532	1,086
Net profit	40,534	25,158
Add: Previous surplus	791,373	476,214
Adjustments	256	290,000
Prov. for silicosis assess. not required	8,997	.....
Surplus forward	841,160	791,372
Earns. per Share:	$0.015	$0.009

New Brunswick Sells $5.3 Millions Issue

The province of New Brunswick has sold $5.3 millions of debentures to a syndicate composed of the Bank of Montreal, the Royal Bank of Canada, Dominion Securities Corp., A. E. Ames & Co., Wood, Gundy & Co. and Eastern Securities Corp. The issue is divided into two allotments consisting of $10 millions of 10-year 3 per cent bonds and $3,342,000 of 20-year 3½ per cent bonds.

Of the proceeds of the issue $2.7 millions is to be used to meet a debenture maturity on June 15, $2.1 millions for capital highway expenses and $400,000 for permanent bridges.

St. John Dry Dock Calls 1934 Bonds

From Our Own Correspondent

MONTREAL.—Saint John Dry Dock and Shipbuilding Co. has called for redemption on July 5 next all of its outstanding 4 per cent first mortgage bonds dated April 4, 1934. Payment will be made in Canadian funds at par, plus a premium of 3 per cent, together with accrued interest to the date of redemption.

Two years ago the company called in its entire issue of 5½ per cent first mortgage seial bonds, due 1934 to 1959. The necessary funds for the redemption of this issue were secured through the issuance of a new 4 per cent first mortgage serial bond. The amount sold was $3,651,597, of which $3,600,879 were outstanding at January 5, 1935.

Dividends Declared

	This payment	Date payable	Date of record
Agnew Surpass, pf.	$1.75	July 2	June 15
Anglo-Huronian	20c	June 12	May 30
Alta. Pac. Oil	2c	July 15	June 15
Assoc. Breweries	15c	June 30	June 15
Do., pref.	$1.75	July 1	June 15
B.C. Power, A	40c	July 15	June 30
Bulolo Gold	$1.40	July 2	June 10
Barcelona Tr., ord.	75c	June 29	June 19
Bell Telephone	$1,50	July 15	June 23
Bk. of N. Scotia	$3	July 2	June 15
Brazilian Tr., ord.	30c	July 15	June 5
Do., pref.	$1.50	July 2	June 15
Belding Cort., pf.	$1.75	July 2	June 15
Do., com.	$1	July 2	June 15
Biltmore Hats, pf.	$1.75	June 15	May 15
Bk. of Canada	$1.12	July 2	May 31
Bright, T. G.	7½c	June 15	May 30
Do., pref.	$1.50	June 15	May 30
Burt, F. N.	50c	July 2	June 10
Can. Malting	37½c	June 15	May 30
Can. Perm. Mtge.	$2	July 2	June 15
Can. Canners 1st p.	$1.50	July 2	June 15
Celanese of Am. pr. pf.	$1.75	July 1	June 6
Do., part. pf.	$3.50	June 30	June 16
Cosmos Imp. p. new	$1.25	July 15	....
Can. Celanese	40c	June 30	June 23
Do., pref.	$1.75	June 30	June 23
Can. Cottons	$1	July 2	June 13
Do., pref.	$1.50	July 2	June 13
Can. Tor. Invest.	40c	July 1	June 15
Do., pref.	$2	July 1	June 15
Canadian Oil, pref.	$2	July 1	June 20
Confederation Life	$1	June 30	June 25
Cons. Div. Std. Sec. pf.	25c	June 15	June 1
Catelli Mac., A pf.	$2.50	June 10	May 22
Can. Gen. Elec.	$1.25	July 1	June 13
Cent. Patricia Gold	4c	July 2	June 15
Cariboo Gold	2½c	July 2	June 6
Canada Bread, 1st pf.	$1.25	July 2	June 15
Do., arrears	50c	July 2	June 15
Can. Nor. Power	30c	July 25	June 30
Do., pref.	$1.75	July 15	June 30
Dom. Glass	$1.25	July 2	June 15
Do., pref.	$1.75	July 2	June 15
Dome Mines	50c	July 20	June 30
Do., extra	50c	July 20	June 30
Dom. Coal, pf.	38c	July 1	June 15
Dom. Bank	$2.50	July 2	June 15
Dom. Textile	$1.25	July 2	June 15
Do., pref.	$1.75	July 15	June 30
Electrolux	40c	June 15	May 15
Do., extra	10c	June 15	May 15
Falconbridge N.	7½c	June 25	June 4
Fernie Brew.	60c	July 2	June 17
Goderich Elev.	25c	July 2	June 15
Do., bonus	15c	July 2	June 15
Ham. U. Thea., pf.	$1	June 30	May 30
Hollinger Gold	5c	June 16	June 1
Hudson Bay Mining	50c	June 29	May 29
Imp. Tobacco, ord.	8¾c	June 30	June 12
Inter. Power, 1st pf.	$1.50	July 2	June 15
Louisiana Land, c.	10c	June 15	June 8
Inter. Mining	15c	June 20	May 29
Inter. Nickel, c.	30c	June 30	June 2
Lake Shore Mines	$1	June 15	June 1
Landed Banking	$1.25	July 2	June 15
Little L. Lac	10c	June 25	June 10
Moore Corp., c.	25c	July 2	June 10
Do., pref. A	$1.75	July 2	June 10
Do., pref. B	$1.75	July 2	June 10
Montreal Loan	50c	June 15	May 30
McColl-Fron., c.	20c	June 15	May 15
McKenzie R. L.	‡3c	June 15	June 1
Monarch Knit., pf.	$1.75	July 2	June 15
Montreal Cott., pf.	$1.75	June 15	May 30
Mtl. C. & D. Bank	$3	July 2	June 15
Do., bonus	$1	July 2	June 15
National Brew.	50c	July 2	June 15
Do., pref.	44c	July 2	June 15
Noranda Mines	†$1.25	June 30	June 10
Nat. Biscuit, com.	40c	July 15	June 17
Ont. Loan & Db.	$1.50	July 2	June 15
Ont. Silknit, pf.	$1.75	June 15	June 5
Pioneer Gold, B.C.	20c	July 2	May 30
Porto Rico Pr. pf.	$1.75	July 2	June 15
Power Corp., pfd.	$1.50	July 15	June 30
Do., 2nd pfd.	75c	July 15	June 30
Premier Gold	3c	July 15	June 12
Do., extra	1c	July 15	June 12
Pressed Metals	37½c	July 1	June 15
Reliance Grain, p.	$1.62½	June 15	May 31
Reno Gold M.	3c	July 2	June 10
Real Est. Loan	$1	July 2	June 17
R. S. Mills, A	50c	July 2	June 12
Sheep Creek Gold	‡2c	July 15	June 30
South. Can. Pr., pf.	$1.50	July 15	June 20
Sher.-Williams, p.	*$1.75	July 2	June 15
Siscoe Gold	5c	June 15	May 30
Teck-Hughes	10c	July 2	June 10
Do., bonus	5c	July 2	June 10
Tuckett Tob., pfd.	$1.75	July 15	June 30
Union Gas	†10c	June 15	May 26
Ventures	‡2½c	July 2	June 15
Walker-Good.	50c	June 15	May 25
Do., pref.	25c	June 15	May 25
Weston, Geo., c.	20c	July 1	June 20
Unit. Amuse. A. B.	30c	June 15	May 30
W.-Hargreaves	10c	July 1	June 10
Do., extra	5c	July 1	June 10

†Interim. ‡Initial. *For quarter ended Aug. 31, 1934.

AD CLUB HEAD

At the annual meeting of the Advertising and Sales Club of Toronto, John Martin, above, advertising manager of the Massey-Harris Co. Ltd., was elected president. Other officers include vice-president, J. E. Mason, Canada Dry Ginger Ale Ltd.; secretary, Norman Sampson, Sampson-Matthews Ltd.; treasurer, Chas. Winsor, Birks-Ellis-Ryrie Ltd.; directors, J. W. G. Clark, Cockfield, Brown & Co. Ltd.; Kenneth Hopkins, Rapid-Grip & Batten Ltd.; Walter Miller, Outdoor Neon Signs; Roydon Barbour, Saturday Night Press; and Noel Barbour, MacLaren Advertising Co. Ltd.

Threat Seen To Business In Taxation

(Continued from page 1)

ment looking toward a loan council was approved. Some say the taxation concession was a "saw-off" by Ottawa in return for loan council support by the provinces. In any event, following the parley various provincial officials went back home and started drafting taxation measures of a kind never seen heretofore in Canada. First Prince Edward Island—then Alberta, New Brunswick and Quebec.

New Taxation Era

Alberta's legislation is typical of the trend. Thus that province brought in two measures—one an Ultimate Purchasers Act which is now in force and imposes a "direct" 2 per cent sales tax on "purchasers" at the place of purchase. The next was an act not yet proclaimed giving the province the right to impose an "indirect" 2 per cent tax on gross sales of all retailers—in short, an indirect sales tax such as has previously been within the rights of Ottawa alone to apply. Presumably the intention was to invoke this latter levy if, as and when the proposed amendment to the B. N. A. Act was proclaimed.

New Brunswick's amazing tax act which was passed on April 24 but has not yet been proclaimed, permits that province to levy a sales tax (of an amount yet to be determined) on all goods sold in New Brunswick by firms situated outside the province or by firms which have not 50 per cent of their ownership inside the province. Merchandise manufactured within the province is exempt from the tax.

The plot got thicker until in mid-May the Commons with little or no discussion of the discriminatory features of the B. N. A. Act amendment which would have legalized such taxes as these, finally passed the measure and sent it to the Upper House. Then on May 19 Arthur Meighen dropped his bombshell by declaring that such new powers as were proposed to be now delegated to the provinces would legalize and pave the way for provincial tariff walls which would "shatter the whole framework" and "surrender the first and most sacred citadel of Confederation."

"If this step is taken," he argued, "there will be no way whatever of preventing provinces from doing precisely what has already been done by New Brunswick. And if 2 per cent can be imposed by such legislation, 10 per cent or 20 per cent can be imposed; tariffs whose height is limited only by the ambition of the respective provinces may be erected. When this is done the essence of Confederation, the bracings and boltings of its structure, will have disappeared. Yet this is the very thing this Address to the Throne proposes to legalize and to legalize retroactively."

Mr. Meighen continued his argument by pointing out that the Dominion, despite section 121 of the B. N. A. Act (providing for free trade inter-provincially) would become balkanized. The provinces could easily circumvent section 121 on the argument that no obstacles were being placed in the way of imports from other provinces—these goods would be taxed after they had been admitted free.

Business Firms Oppose

Chief business interests opposing the amendment and who are being heard by the Senate committee this week include major retail, chain and mail order manufacturing concerns which do an interprovincial or dominion-wide business. They claim the proposed taxes (if levied) would not only be dangerous discriminatory taxation amounting to provincial tariffs but would disrupt the whole existing scheme of taxation by imposing (in effect) a provincial sales tax upon an already existing federal sales tax. They point to the multiplicity of returns and confusion of records and sales which would result and which would be both costly and wasteful to business and consumers.

Further complications are seen if this right were again extended to municipalities within provincial borders (as in the case of Montreal). Similarly mail order houses point out that distribution of catalogues through several provinces would create serious problems since prices would of necessity be figured on the highest rate of tax and consumers in each province would thereby be faced with higher prices.

Electric Equipment

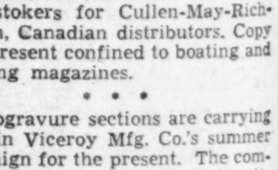
Factory sales of electric vacuum cleaners, parts and attachments by Canadian producers showed a gain of 6.2 per cent in 1935, to reach a total of $2,412,542.

Safety, the watchword— conservative management, the guiding principle . . . for 118 years.

BANK OF MONTREAL
Established 1817

TOTAL ASSETS IN EXCESS OF $750,000,000.

HEAD OFFICE MONTREAL



The Store for Men

dive into the new "SURF SHOP!"

Here you will find the last word in swim trunks and suits as okayed by style authorities and the smart Southern resorts. It may not be quite time to wear them *(though you may sun yourself over the week-ends)* — but it's certainly time to buy them. "*Dive*" into SIMPSON'S today and give this new "SURF SHOP" the *once-over*. Trunks priced from $1.95 to $5, swim suits from $1.98 to $6.95. STREET FLOOR.

Simpson's

What's What In Advertising

By TORY FLEMING
Editor, Canadian Advertising

Advertising is being released this week by the Dominion Government on its $200,000,000 bond issue offering. Seven-hundred-line space is being used in principal dailies and financial papers on a one-insertion basis. Copy is being released by R. C. Smith & Son in Ontario and by Cockfield, Brown & Co. in the rest of Canada.

* * *

Perhaps the best of the current crop of "quin" ads centred around the second birthday of the Dionne five was Lysol's "Five Past Two" copy. Appearing in a wide list of magazines in full-page black-and-white space, and in daily newspapers, the advertising showed the quints grouped in the dial of a large watch whose hands pointed to five minutes past two. A bold script caption "Five Past Two" was followed by the tie-in line. . . . "another year made safe with Lysol." The clever and catchy appeal made the copy stand out from among the many other ads featuring the same subject.

* * *

Summer cruises of the Dominion Transportation and Owen Sound Transportation companies, now under joint management, are being advertised currently throughout Ontario. Trips through the North Channel, week-end cruises to Tobermory and Manitoulin Island and the ferry service between the latter two points are being featured in daily newspaper copy. Russell T. Kelley, Ltd., Hamilton, is placing the business.

* * *

F. H. Hayhurst Co., Toronto, is now placing the advertising of Thor outboard motors and Kola-meter coal stokers for Cullen-May-Richardson, Canadian distributors. Copy is at present confined to boating and sporting magazines.

* * *

Rotogravure sections are carrying copy in Viceroy Mfg. Co.'s summer campaign for the present. The company's lines of rubber bathing suits and caps are being featured, and for the first time in consumer media, Viceroy rubber heels are being advertised. The advertising is placed by A J. Denne & Co., Toronto.

* * *

Since the beginning of the year three newspapers in the United States have announced removal of the differential between their local and national advertising rates. Latest and most important daily to do so is the St. Louis Post-Dispatch which comes out with a full-page announcement that "commencing June 1 rate differentials between retail and general advertising will be abolished, which will enable agencies to buy display advertising on the same net basis as retail advertisers." It is held unlikely that this action is the forerunner of any general move in this direction in either United States or Canada.

Re-investment of Profits

Many high grade bonds are at attractive levels for profit-taking.

May we suggest avenues for re-investment of your surplus in carefully selected preferred and common stocks, likely to appreciate.

Recommendations on request

JOHNSTON AND WARD

Members: Montreal Stock Exchange, Montreal Curb Market, Canadian Commodity Exchange, Inc.

330 BAY ST. TORONTO 2 WA. 4461

Head Office: THE ROYAL BANK BUILDING, MONTREAL.
Branches: Montreal, P.Q.; Kingston, Ont.; London, Ont.; Moncton, N.B.; Saint John, N.B.; Halifax, N.S.; Sydney, N.S.

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Choose Leader from Farm

Hon. Earl Rowe, Winner of Races and Elections, Will Lead Ontario Conservatives—Favors Policy to Promote Prosperity

By WELLINGTON JEFFERS

The choice of Hon. Earl Rowe as leader of the Conservative party in Ontario demonstrates once again he is a very popular man in the province. That popularity began long ago when a farmer lad that every one called Earl Rowe used to bring his standard bred horses to the principal race tracks of Ontario and drive them himself. Everyone in Central Ontario, who knew anything about harness racers knew that Earl bred, raised, trained and raced these horses himself. They knew he had increasing success with them until the demand for Earl Rowe horses from south of the line was a really comfortable source of income to a young farmer. His fame was climaxed when he sold one colt for $10,000 and the record of his horses in the U. S. still continues to give him a steady line of customers.

Used to Winning

It would be stretching the uth somewhat to say that raising and racing harness horses brought Hon. Earl Rowe to the leadership of Ontario Conservatives and that in its turn to his becoming Premier of Ontario some day. But it did take him to all parts of Ontario. He met and became friends with farmers and other horse lovers in all parts of the province. He was a success at mixed farming as well and with that background took an interest in what was happening all over the province. He was eminently companionable, and took from the beginning a very intelligent interest in the affairs of his neighbors of the township, county and province. It was rather remarkable the number of delegates to the Conservative convention who came up to remind Earl that they knew him in the days when he drove his own horses. Not so long ago either.

It was not long before he was in township politics, county politics and in a short span of years he was elected to the Ontario Legislature in 1923 and in 1925 to the Ottawa house.

It may help superstitious people to overcome their obsession about number "13" to know that Earl Rowe was born on May 13, 1894, has helped in 13 electoral campaigns and has been chosen Conservative leader in the 13th year since he was elected to the Ontario Legislature in 1923. And 23 itself was once considered an unlucky number. Therefore, if "13" is an unlucky number it has been unlucky for those opposed to Hon. Earl Rowe. It may be that the superstitious will find some esoteric significance in the fact that he was born 42 years ago in the United States, which was not prevented from achieving greatness by the fact that it started as a confederation of 13 colonies.

But the father of Earl Rowe and his mother were Canadians. They did not want their children to grow up under the Stars and Stripes. That was the main reason they returned to Canada and bought the farms at Newton Robinson which are now run by Earl Rowe and his father. Of his two years in the United States therefore there remain only the vaguest recollections in the mind of the new leader.

Earl Rowe at Home

The accompanying picture of Earl Rowe shows well the staying power and physical strength which belong to the new leader. He is a prodigious worker without display and can run through all the heat and excitement of a campaign without ruffling a feather. But though he is as much a farmer as any farmer in Ontario when it comes to practical knowledge and ability to do any farm job, he is also right at home in any city, political or business gathering. He was one of the best-dressed men at the convention. And at the convention one saw his tailor certainly knows his business and has an easy job with 5 feet 11 inches of erect manhood to display his talent on. Earl Rowe's easy strength and natural flow of friendliness make him a striking figure in any gathering.

And yet there is no attempt at personality plus. The new leader listens more than he talks. He learns as he goes and he knows there is something to be learned from every voter. But he gives it all back to them when he speaks in public and his fluency, common sense and practicality have proved very convincing.

Back at Newton Robinson Hon. Earl Rowe lives in a large red-brick farmhouse surrounded by ancient trees and excellent out-buildings. He manages two farms of 150 acres each and his 87-year-old father, William Rowe, actively manages two more. The Rowes are the largest land owners in the district. His mother, formerly Isabella Watson, lives at the old farmstead and follows her son's career with happy interest but without astonishment. Earl was educated at the public and high schools of Simcoe county and he followed it with a business college course in Toronto. He is still on the board of the United church at Newton Robinson. His father was Methodist and his mother Presbyterian.

Hon. Mr. Rowe entered matrimony and politics almost simultaneously. He married Treva, a daughter of the late James Lennox and Emeline Heyland, neighbors of the Rowes, in September, 1917, and a month later entered the council. Her knowledge of farming releases her husband for politics and affairs as would not otherwise have been possible. The social editors of Toronto daily newspapers report her as charming, an excellent conversationalist and a good mother. The oldest child is Jean, 16 years old, already an admirable horsewoman. She is trying her junior matriculation and has won the Women's Institute medal. Bill, 12 years old, follows his father's political career with interest. Lennox, aged 8, finds cows and chickens more important. A sane healthy farm background has been the lot of the Rowes for four generations, most of their lives being spent in Canada. On his mother's side the Rowe ancestry dates back more than 150 years in Canada.

In racing Earl Rowe got an admirable training for elections.

KNOWS HIS HORSES

HON. EARL ROWE

There is much the same atmosphere. The quality of horses, the state of the track, and the number of contestants are all important. And even given a good horse, a good track and himself as driver, he learned that every moment in a race is important. He has followed out that idea in elections. History does not tell us how many races he failed to come first in but he has never failed to win an election.

Hon. Earl Rowe denies he is a top-hat farmer. He shares only a sense of sportsmanship with millionaires who have strings of saddle horses and model farms to play with. On his own farm he has a half-mile track but training his horses there is part of the farm routine. He can pitch hay or sheaves with the best, is nearly as much interested in his Clydesdales, cattle, sheep, poultry and pigs as in his trotters and pacers and those who work for him are not left in doubt as to just what he wants done in every department of the farm life.

Policy

But what does this farmer leader intend in the way of policy? The Conservative platform instructs him to demand repeal of Hepburn legislation on Separate School taxes. And he may not have much repealing to do because Premier Mitchell F. Hepburn with characteristic promptitude has taken note of the roars of rage which rose from the Conservative convention hall whenever the recent legislation was mentioned. The Premier states that if there is evidence that the new legislation bears unjustly on any part of the population it will be amended at the next session of the house. If so, that will probably be a relief to Hon. Earl Rowe who numbers Catholics as well as Protestants among his friends. But he is pledged to putting the school tax back where it was before the recent changes were made.

It is early to say what Hon. Earl Rowe will do if made Premier at the next election or the next after that or whenever it is. He works well with other men and knows the value of long consultation and thought about matters of state. He will draw his advisers from both city and country. If he has any predilection at all it is that every man and woman engaged in primary production has a friend in Earl Rowe. Like his political opponent and personal friend, Premier Hepburn, he comes from the soil and therefore believes automatically that the homely and worth-while virtues spring from the soil.

Aid to Primary Producers

"I am a firm believer in protection," said this supporter of ex-Premier Bennett. "But I also believe that there must be a quid pro quo for those who deal in primary products. I refer not only to the products of the farm but to the products of the mine, the forest and the fisheries."

Back in the sessions at Ottawa in 1930 and 1931, he argued vigorously for bonuses to aid farmers to market their products in foreign countries and so to offset the depreciation of the pound sterling.

Can Make Government Cheaper

Hon. Mr. Rowe believes that there is ample room for reform and administrative economy in Canada by adjusting the respective spheres of activity of the provincial and Dominion parliaments.

"They talk about revising the British North America Act," commented Hon. Mr. Rowe. "Both the Dominion and the provinces have already done a number of things to the British North America Act without any changes having been made in the actual wording. For instance, the British North America Act stated quite clearly what the Dominion parliament and government were to do and what the provincial parliaments and governments were to do. It divided the various kinds of taxation between them.

"What has happened? You have the respective governments duplicating each other's activities in many departments. It seems right that there should be departments of agriculture, agricultural colleges and experimental farms under provincial administration but why should the Dominion government also do the same work over again?

Too Much Duplication

"Departments of Mines and all the activities that are connected with them are an important part of the machinery of every provincial government. That work should not be duplicated at Ottawa.

"If things continue in the same way, one might expect to have the Dominion government forming a department of education and establishing schools. It would be as sensible for provinces to form a department of customs, a department of militia, a post-office department, a department of marine, a department of railways and canals or a department of inland revenue.

"All this is simply a prelude to expressing my view that Dominion and provinces can find many ways to save money by cutting out duplicate efforts. And I will do the very best I can to co-operate with Dominion and provinces to secure such economies.

"Each province has enough to do to look after its own affairs properly. It should leave to the Dominion government the supervision of movement of trade from province to province and from Canada to foreign countries."

Prosperity Main Aim

"Do you believe that every government should adopt a policy looking to balanced budgets at as early a date as possible?" asked The Financial Post.

"From the accounting point of view, that is a good thing to accomplish," said Mr. Rowe. "But the leader of a government or of a party should put something else ahead of that. His first concern should be the prosperity and happiness of the people. If that is accomplished, then the basis for taxation can be broadened because primary production will have been increased and trade and commerce be much more active. To raise taxes first for a mere bookkeeping objective would be wrong if it increases the load on every taxpayer and makes it harder for primary production and business to struggle through to the prosperity which we all must consider the main aim.

"There is a lot of hokum practised sometimes in order to make this claim of balancing the budget. Amounts are taken from one reserve and put somewhere else. My point is that if a government cannot show that it has contributed to the peace and prosperity and wellbeing of the citizens of the province and the nation it has failed. Piling on taxes for a mere barren boast that the budget is balanced will not and should not save it.

"Every business man knows that there is more to success than accounting, essential as that is. Our aim is to increase the true basic wealth of the province and to stop every useless expenditure that we can. We know that the finances of the province will get into good shape following that policy. That is the best way in the end to get surpluses, a much better thing than mere balancing of the budget. Every farmer and business man knows that success can only be gained by wise outlays at the proper time. Omitting such outlays, he may gain insolvency rather than solvency.

"That is true of governments, too.

Against Useless Expenditures

"It is proper criticism to show that expenditures are useless or sterile. I am against ever paying men for doing nothing, for instance, I am against building public buildings or permitting the undertaking of public works which are largely unnecessary. There have been too many of such projects in the history of this country. I believe in providing work for the unemployed but not unless the work would absolutely justify itself on the score of usefulness and of advantage to the community.

To Improve Civil Service

"What is your view as to the Civil Service?"

"The Civil Service," responded Mr. Rowe, "is the agency through which government policy must be made effective. It is tremendously important that the personnel should be of high calibre, and that the conduct of affairs should be prompt, efficient and business-like. I am absolutely for a raising of the standard of the Civil Service. That should be one of the constant cares of a good government.

"As a first step, I think the Ontario Civil Service should adopt the standards set at Ottawa. And the ultimate objective should be to have the Civil Service in each province of just as high standard as that in Great Britain."

Stability All-Important

As cardinal principle in dealing with the Civil Service, Hon. Mr. Rowe declared there must be stability of employment. Having chosen good men and good women to occupy posts in the Civil Service, they should feel that their positions are safe no matter how many régimes rise and fall.

"It is very important to a cabinet minister to have at his disposal civil servants with a long experience of government. He needs men with sufficient backbone to stand up to him, and tell him that certain things can or cannot be done because they have been tried in the past and have failed.

"This safeguard has been largely lost at Queen's Park in the last year or so because of the ruthless treatment of the Civil Service.

Repudiation Pennywise Policy

"Going back to the subject of balancing budgets, I want to make my views plain. I can perhaps do that best by referring to the action of the Hepburn administration in repudiating the contracts that the Ontario Hydro Power Commission had with four Quebec power companies. The government can claim it has saved more than $8 millions a year by that policy. But who that values the good name of the province and its credit will say that Ontario has gained from that action? I am sure that The Financial Post agrees that, when a province or any nation goes back on its bond or its contracts or repudiates its word or obligation, the result is very bad for it, and very bad as well for the innocent citizens who would not have countenanced such an act.

"A mere balancing of a budget at Queen's Park does not show the real situation in dollar loss or gain to the province. I am sure that it even makes it more difficult for the people of a province or country to sell their products in outside markets.

"The people of Ontario never authorized such action at the polls at the last election. And I am sure that their votes at the next election will not record their belief that this is good stewardship."

Says Election Not Managed

President of Conservatives Says Convention Fully Representative

W. H. Ireland, who was re-elected president of the Ontario Conservative Association by a large majority, after an attempt was made to oust him and the old officers, expressed himself to The Financial Post as immensely pleased with the enthusiasm displayed and the results attained.

W. H. IRELAND

When his opinion was asked with reference to various allegations that the Toronto convention was "packed," that a "machine" had determined who was to be leader and had assured the election of Hon. Earl Rowe ahead of time, he laughed.

Greatest Yet

"This was the biggest political convention ever held in the largest hotel in the British Empire," he said. "The Association executive of 250 people was drawn from all parts of the province and it has been working to make this convention as complete and as representative as possible from early in January last. Those 250 people were drawn from all over the province and for dealing with details there was a smaller executive which worked on the plans paid down by the 250. Those 250 themselves could have made a decision that would have been representative, but it was desired that the Conservatives of Ontario, young and old, men and women, should all have a chance to say who the new leader will be. There were as many women as men. We did not want any group to be unrepresented.

Drew is Answer

"If it was packed, why the great response to Colonel George Drew's whirlwind campaign? In a few weeks he made a great fight and the balloting in his favor showed that delegates were representative and able to come to their own decisions without any previous pledgings."

"Mr. Ireland," said The Financial Post, "the opinions of those who do the organization work for the party are fully as important as those of members elected. What, for instance, as president of the association, are your ideas about the Civil Service and changes in it when one party goes out and another comes in?"

This same question was later asked of the new Conservative leader and his reply is given elsewhere. Mr. Ireland thought over it a moment and then said: "We should have the best Civil Service possible. There should be no terrorism. Naturally the best man possible for a job should be obtained. It is only human for us to realize that if a job does become vacant, there is a fully qualified Conservative somewhere in Ontario able to fill it satisfactorily. Given two men of equal ability and one a Conservative in full agreement with policies of the government, it seems to me there is no question but that the job should go to the Conservative. But good men already on the job should not be changed."

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Investment Trends

Investors Are Watching For Hints of Inflation

Expansion of Government Credit Through Bond Financing and Pro-inflation Group in U. S. Congress Create Wary Attitude

A combination of influences, both political and economic, tends toward inflationary conditions, it is held, and the reason they have been more or less obscure is that they have not yet been effective in raising prices.

There is of course a strong pro-inflation group in the U. S. Congress, but both in the U. S. and Canada other influences with an inflationary implication are present. There is, for example, the programme of new government borrowing which, increasing the public debt, also creates public purchasing power which otherwise would not exist and which to that extent can be regarded as inflation.

Newsprint

FURTHER cause for alarm over the newsprint situation is seen by R. O. Sweezey in the remoteness of remaining forest stands from several of the mills. This condition, coupled with the fact that newsprint is selling at prices below those of 1913 in the face of higher pulpwood and other raw material costs, is viewed with the same misgivings that have been expressed by The Financial Post.

And the reason, according to Mr. Sweezey, is "probably because there are few responsible leaders left in the industry."

Early reorganization of defunct paper companies may be expected, but Mr. Sweezey thinks that more intelligence must be applied to the problems than a mere realignment of directors composed of financial experts. A new sense and direction of salesmanship that can understand and make proper allowance for the problems of the publisher is needed, he believes.

"Forests have been mishandled, salesmanship has been deplorable, financial structures are a nightmare, so we may welcome new blood and beware of old pitfalls," he concludes.

* * *

Turning to Canada

PRE-ELECTION uncertainty among business men and investors in the United States may have the effect of stimulating a flow of U. S. investment funds into Canadian securities during the next few months.

As a hedge against government policies, which may be viewed as detrimental to business, and as an investment channel free from the disturbances of an election campaign, the Canadian investment field is likely to engage closer attention from U. S. sources.

Although such a movement of U. S. investments funds into Canada could conceivably reach major proportions in the event of a closely contested political campaign in which the issues remain in doubt and involve the threat of administrative policies unfavorable to business, "nervous capital" rarely brings lasting advantages to its new locale. It is more likely to be withdrawn with accompanying unsettlement to markets, after the cause of its nervousness has ceased to exist.

* * *

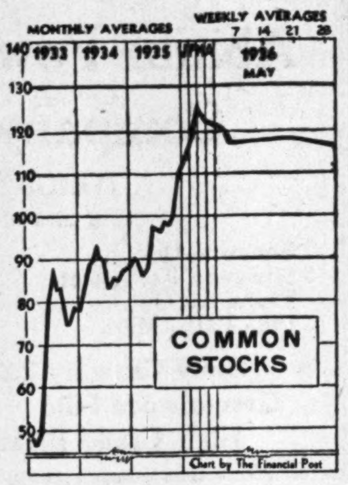
British View

A WELL known British economic commentator, among others who foresee a period of pre-election unsettlement in the U. S. markets, declares that pronounced fluctuations in U. S. securities between now and next November may be the outcome of marked contractions and expansions in industrial activity as well as pre-election agitation.

Neither is it wise, he adds, to ignore the probable immediate trend of the U. S. markets as they may be affected by developments in connection with the French franc.

It is held that if and when franc devaluation occurs there will be a substantial movement of funds from American into French securities, but, again, the view is held that such a speculative movement, feasible as it may be, could hardly be a phenomenon of more than brief duration. The reason is, of course, that unless devaluation of the franc were accompanied by a deeply genuine rapprochment between France and Germany, the reasons for preferring dollar securities would remain overwhelming. Supporters of this British view point out that not only is the United States in no danger of a serious internal setback, but the moderately advanced views of Mr. Roosevelt are a powerful antidote against extremism.

As to the franc, serious strikes in France are indicative of the unrest arising from deflation and point to the possibility of forced devaluation.



RECESSION

Common shares softened quietly at the close of May, as shown by the Dominion Bureau index. However, they averaged about 20 per cent higher than at the close of May, 1935. Comparative indices appear on this page.

United Amusement Corp. Raises Common Dividend

From Our Own Correspondent

MONTREAL.—United Amusement Corp. has declared a dividend of 30 cents a share, payable June 15 to shareholders of record May 30. This is an increase of 5 cents.

The Mining Industry
. . . Factors which make for successful investment

Recent developments at the O'Brien Gold Mine amply demonstrate the inherent possibilities of the mining industry, and emphasize the wisdom and necessity of investors who purchase the shares of mining companies in the early stages of development staying with their investment until the geological possibilities of the property have been thoroughly explored.

The appreciation which has taken place in the price of O'Brien stock in the past four weeks, during which time it has advanced from 40 cents to $2.60, justifies the judgment of those investors who exercised patience and were content to await the outcome of operations by an experienced mining organization.

The essential factors which should govern the investment in shares of a developing mine are: (1)—Efficient Management; (2)—Adequate Financing; (3)—Favorable geological conditions as reported upon by qualified engineers.

Experience shows that, given these factors, investors who have the courage and patience to wait for the "the long pull" have reaped the rewards in the outstanding success attained by the gold mining industry.

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J. A. Wilson, merchandise manager of Viceroy Mfg. Co., Toronto, who has been elected to the board of directors of that firm.

Soo Line Seeks Note Extension

From Our Own Correspondent

MONTREAL.—Interstate Commerce Commission has been asked by the Minneapolis, St. Paul & Sault Ste. Marie Railway Co., an American subsidiary of the Canadian Pacific Railway, for permission to extend to February 1, 1938, maturity date of $5 millions of 6 per cent secured notes, which matured August 1, 1934, and which the Commission allowed to be extended to August 1 this year.

The extended notes would bear 5 per cent interest and as security there would be repledged $6¼ millions of first refunding 5½ per cent series "B" bonds, due July 1, 1978.

In its application the Soo line states it has no funds to pay the notes and that it feels substantially all the holders will agree to the extension provided the bonds are pledged as collateral security for them.

For April, 1936, the Soo line reports a net deficit of $530,914, as compared with a net deficit in April, 1935, of $541,908. For the first four months of this year the net deficit is shown at $2,444,045, which compares with a net deficit of $2,610,506 in the corresponding period of 1935.

Bathurst Power Extends Capacity

More Extensive Line of Kraft Products — New Board Elected

From Our Own Correspondent

MONTREAL.—Plans have been completed by Bathurst Power and Paper Co. to recondition an idle cylinder machine for the manufacture of folding boxboard. It is expected this machine will be brought into operation during the year.

When development work is complete, the ultimate capacity of the company's mill as presently planned will be as follows: 70 tons daily of newsprint; 170 tons daily of kraft liner board and corrugating material; and 100 tons daily of folding boxboard, patent coated board, and boxboard cylinder type.

Earning Power Higher

Since the conversion of one of the company's two newsprint machines for the manufacture of kraft liner in 1931, earnings of the company have shown a steady increase. An operating deficit of $49,930 in 1933 was converted into a profit of $36,626 in 1934. Last year the company showed an operating profit of $225,249. In addition income from investments totalled $102,728. After providing for depreciation and income tax reserve, net income totalled $94,533, or equivalent to about 23 cents a share on the outstanding 400,000 shares of Class A stock.

While there have been no indications of a dividend payment on the A stock, it is reported the directors might give consideration to this matter later on in the year if earnings continue to increase.

At the adjourned annual meeting of shareholders, the following board was elected: A. J. Nesbitt, P. A. Thomson, J. B. Thomson, J. B. Woodyatt, F. J. Campbell, M. A. Thomson, D. K. Baldwin and H. P. Robinson, of Saint John.

This board represents the new interests—Nesbitt, Thomson and Co. and associates—which recently acquired control of the property from Newsprint Bond and Share Corp., an organization set up by six Canadian newsprint manufacturers.

Investment Notes

Cons. Sand & Gravel—There are 221 holders of 9,494 preferred shares. The company bought in 348 preferred shares in 1935-36 and 880 shares in the preceding year. Original total was 12,000 shares. All the common is held by Standard Paving & Materials Ltd.

* * *

Dominion Stores' sales increases of 9.84 per cent in the first 20 weeks of 1936 and a gain of 11.5 per cent for the four weeks ended May 16 were effected in spite of a gain of only 3.6 per cent in the number of stores operated. This would indicate that sales per store are increasing, a necessary basis for improved results which this year might result in the company showing a small profit.

* * *

National Grocers—Decline of the common shares to about $5 is apparently based on the belief that plans for wiping out arrears of preferred dividends have been dropped. At the present rate of $3.50 a share paid on arrears, it would take nine years to liquidate all arrears. Even though larger payments on arrears would shorten the period, there is no prospect of common dividends until all preferred arrears are paid.

* * *

Atlantic Sugar—Issue of the report for 1935 clarifies the company's position which has been somewhat obscure because of unavailability of some recent years' statements to the press. Non-appearance in the balance sheet of 40,000 class B preferred shares, supposed originally to have been issued for $96 a share, raises the question of whether these shares were issued or necessary.

* * *

Photo Engravers—While the new report shows a decline of earnings, the $1 dividend is covered comfortably and accounting is conservative. Amount of loss of subsidiary company is not revealed but has been deducted from the subsidiary's surplus which is not shown in the parent company's accounts.

* * *

United, Standard Steel — Last week it was stated in error in The Financial Post's report of the United Steel meeting that United Steel Corp. holds some 80,000 shares of Standard Steel Construction Co. The fact is that United Steel Corp. controls Standard Steel Construction Co. through ownership of 111,422 of the 120,525 outstanding common shares of Standard Steel.

* * *

Noranda—Purchase of 1,300 shares in the first quarter of this year is reported by Equity Corp., U. S. investment trust.

* * *

Standard Paving—Has 470 holders of the 13,105 preferred shares; 927 holders of the 104,872 common shares.

* * *

Jamaica Public Service—Indications are that Jamaica Public Service's financial statement for 1936 will show a further increase in net income available for distribution on the common stock. Interim monthly reports show increased earnings over last year.

* * *

Canadian Celanese is reported to be contemplating an addition to its Drummondville plant to take care of increased demand for its product. Unofficial reports are that for the first four months of the current year sales and earnings have shown a further increase over the corresponding period of last year, profits being approximately $50,000 higher.

* * *

Foreign Power Securities' interim statement for the six months period ended April 30, 1936, shows a revenue considerably lower than for the same period of last year, according to a statement issued by the company's fiscal agents. No figures have been released, but the poor showing is stated to be due to the passing of dividends on the shares of one of the companies in which Foreign Power is interested.

Recent elections in France have created some uncertainty as to the franc and the possibility of devaluation. Should the franc be devalued, this would have the effect of further reducing earnings of Foreign Power Securities.

* * *

Shawinigan Water and Power Co. is steadily adding to its power load. Increasing newsprint production, greater output of asbestos and more active industrial operations have all contributed to increased demand. Last year, earnings of the company were $1.17 a share.

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Iron and steel 15	Pulp and paper 6	Milling 5	Oils 5	Textiles and clothing 11	Food and allied products 18	Beverages 9	Total industrials 89	Total utilities 23	Total co's. 112
1929-35:*										
High	388.9	113.4	273.4	423.5	113.5	197.8	205.4	317.6	166.0	232.6
Low	39.8	2.8	37.7	83.6	28.0	72.1	28.5	49.3	33.1	40.9
Monthly Figures, 1936:										
January	130.3	18.6	80.0	231.0	75.5	153.6	151.7	187.7	52.4	117.8
February	140.5	20.2	84.3	246.5	74.0	158.7	151.7	200.0	57.0	126.1
March	136.5	18.5	88.7	237.3	73.1	153.2	140.3	194.8	55.4	122.7
April	131.7	17.6	91.0	244.5	71.3	150.8	131.9	194.2	53.1	121.3
Weekly Figures, 1936:										
May 7	125.9	16.9	86.4	236.1	67.4	146.4	123.5	188.0	51.4	116.8
May 14	125.1	17.1	86.9	239.0	67.9	147.6	132.9	190.0	51.9	118.0
May 21	124.3	17.4	90.1	239.4	69.0	145.2	133.7	191.3	53.0	119.2
May 28	123.8	16.9	83.6	234.8	68.9	145.8	128.2	189.3	52.3	117.9

*High and low of years from 1929 to 1935 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
June 2	129.49	139.84	130.24
June 1	129.19	139.92	130.06
May 30	129.16	139.31	129.65
May 29	129.48	137.86	129.40
May 28	129.28	135.39	129.65
May 27	129.68	136.24	129.89
Month ago	128.06	134.28	128.41
Year ago	109.55	106.93	94.16
High, 1936	143.48	140.11	144.33
Low, 1936	125.71	115.97	125.39

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
June 2	69.1	71.5	70.7
June 1	68.3	71.5	70.4
May 30	68.2	71.3	70.4
May 29	68.3	71.3	70.3
May 28	67.9	70.8	69.9
May 27	67.7	70.9	69.8
Month ago	67.9	71.1	70.1
Year ago	57.3	59.0	58.5
High, 1936	73.4	78.4	76.6
Low, 1936	67.2	69.5	68.9

Maple Leaf Asbestos Pay Off Mortgage Bonds

MONTREAL.—Maple Leaf Asbestos Corp., subsidiary of Asbestos Corp., redeemed all of its outstanding 7 per cent first mortgage bonds at the beginning of June. These bonds, which ordinarily would have matured in 1944, were called for redemption toward the end of last April. There were outstanding approximately $125,000. No new financing will be undertaken in connection with this redemption

Commercial Alcohols Sales Ahead for This Year

MONTREAL.—W. J. Henderson, Montreal, and F. J. Manning, Winnipeg, were elected directors at the annual meeting of Commercial Alcohols Ltd., replacing T. T. Arnold and H. C. Kerman. Other directors were re-elected.

During the course of the meeting the chairman told shareholders that business of the company so far this year has shown an increase over the corresponding period of last year.

N. S. Boosts Dividend

MONTREAL.—Nova Scotia Light and Power Co. has increased the regular dividend on its capital stock from $3 to $5 a share, with a declaration of a quarterly dividend of $1.25 a share payable July 2 to shareholders of record June 16.

Foreign Exchange

Exceptionally dull foreign exchanges featured the past week, most operators merely marking time until the new French government announces its financial programme. Sterling was firm in what trading there was, owing largely to the belief in Europe that devaluation looms in France and the consequent transfer of funds to London.

The Canadian dollar weakened slightly in terms of a number of currencies, and was definitely lower against sterling. The franc held steady. Widest fluctuation in the week was in Japan, whose currency dipped sharply.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	May 26	May 27	May 28	May 29	May 30	June 1
U. S. dollar, High	.5906	100 1/32	1.00 1/16	1.00 1/32	1.00 1/16	1.00 1/32	1.00¼
Low	.5906	1.00 1/16	1.00 1/32	1.00⅛	1.00 1/32	1.00⅛	1.00 1/16
1935, High	.5906	1.00 1/16	.....	1.00 1/16	1.00 11/32	1.00¾	1.00¾
Low	.5906	1.00	.....	1.00 11/32	1.00 1/16	1.00⅝	1.00⅝
U. K. pound	4.8665	4.99	4.99¼	5.00¼	5.00½	5.00¾	5.00⅞
Argentina	.4246	.2771	.2775	.2774	.2785	.2785	.2787
Australia	4.8665	3.9852	3.9860	3.9942	3.9960	3.9972	3.9990
Austria	.1407	.1882½	.1882½	.1882	.1882½	.1880	.1882½
Belgium	.1392	.1693½	.1693½	.1693½	.1694½	.1697	.1696¼
Brazil	.1963	.0561	.0566	.0566	.0571	.0570	.0571½
Czechoslovakia	.0296	.0415½	.0415	.0414½	.0414½	.0416	.0414¾
Denmark	.2680	.2228½	.2230	.2234½	.2236	.2238	.2237½
France	.0392	.065960	.065960	.065940	.065961	.0660	.0660
Germany	.2382	.4033½	.4034	.4033¼	.4032½	.4042	.4036
Greece	.013	.0094¼	.0094	.0093⅝	.0093⅝	.0095	.0093¾
Holland	.4020	.6770	.6771½	.6764½	.6766½	.6770	.6771¾
Hungary	.1749	.1984	.1983¾	.1983	.1984	.1982	.1990
India	.3650	.3800	.3800	.3806	.3807	.3800	.3815½
Japan	.4985	.3251	.2930½	.2930	.2935½	.2925	.2939¼
Jugoslavia	.1929	.0230¼	.0230	.0230	.0230	.0230½	.0230¼
New Zealand	4.8665	4.0254	4.0261	4.0345	4.0363	4.0375	4.0393
Norway	.2680	.2508½	.2510⅛	.2514	.2517	.2583	.2518¼
Poland	.1122	.1886	.1884	.1885	.1886	.1886	.1888
South Africa	4.8666	4.9665	4.9675	4.9778	4.9799	4.9799	4.9837
Spain	.1929	.1367	.1367	.1366¾	.1367	.1370	.1368
Sweden	.2680	.2574	.2576	.2580	.2583	.2583	.2583½
Switzerland	.1930	.3238	.3237½	.3236½	.3236½	.3238	.3240
Hong Kong	.5425	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Order promptly by Telephone or Telegraph at our expense.

3.30% Yield
New Dominion of Canada Bonds

The new issue of Dominion of Canada Bonds may be obtained for cash or by converting Dominion of Canada National Service Loan Bonds, due November 15th, 1936.

Buy for Cash
New Dominion of Canada
3¼% Bonds, due June 1st, 1966
Callable at 100 June 1st, 1956
Denominations: $500 and $1,000
Price: 99 and interest, yielding 3.30%

Convert
Dominion of Canada National Service Loan Bonds
Due November 15th, 1936
Price for Service Loan Bonds
on conversion: 101.83 flat.
Cash adjustment paid on conversion.

There is no better investment available to Canadians than Dominion of Canada Bonds

Wood, Gundy & Company
Limited
Toronto
Montreal
Winnipeg
London, Eng.

36 King Street West
Toronto
TELEPHONE: ELGIN 4321

Ottawa
Hamilton
Vancouver
London, Ont.

Stock Brokers Reduce Interest

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announces a reduction in the rate of interest chargeable to clients of member houses from 5¾ per cent to 5½ per cent effective June 1. A similar reduction has been effected in Toronto.

The reductions, the second of similar size made this year, follow the recent reduction of general interest rates by the chartered banks.

The new rate is the lowest chargeable by member firms since 1909 when a 5 per cent rate was in effect for a short period.

Toronto Exchange Volume Down

Shares traded on the industrial section of the Toronto Stock Exchange totalled 586,502 shares in May, about 200,000 shares below the April volume. Value of transactions was $16.6 millions a decline of some $3.5 millions from April.

Company Reports

Wabasso Cotton

Wabasso Cotton Co. gross profits in the ten months ended May 2, 1936, amounted to $603,369; net earnings, after all charges and appropriations, were equal to $1.19 a share as against $2.11 in the twelve-month period ended June 29, 1935.

Examination of the balance sheet shows funded debt at $3 millions against $3.6 millions in the previous report; high coupon bonds of the company and subsidiaries have been called during the period and replaced by serial issue of the parent company bearing interest at lower rates. The statement also features an expansion in net working capital, liquid items being appreciably larger than reported at the end of last June.

Income and Surplus Account

	10 mos. to May 2 1936 $	12 mos. to June 29 1935 $
Gross income	603,369	809,369
Add: Invest. income	......	62,712
Less: Exec. salaries	32,637	......
Net revenue	570,732	872,081
Less: Depreciation	276,208	392,400
Bond interest	97,119	226,482
S.F. bond issue	9,324	34,950
Bond discount	12,460	12,219
Refunding expense	23,401	......
Directors' fees	2,200	2,300
Tax reserve	67,000	56,100
Minority interest	......	266
Net profit	83,020	147,364
Add: Shaw. Cotton surplus	62,386	......
Previous surplus	317,266	271,023
Less: Adjustments	54,473	46,648
Surplus forward	462,672	371,739

Working Capital

	May 2 1936 $	June 29 1935 $
Current assets	1,866,451	1,958,495
Current liabilities	287,676	602,941
Working capital	1,578,775	1,355,554

Dairy Corp. of Canada

Excluding results of Mount Royal Dairies, report of Dairy Corp. of Canada and subsidiaries for the year ended March 31, 1936, shows a net profit of $6,132 after all charges. This compares with a deficit of $48,218 in the 15 months ended March 31, 1935. The Mount Royal figures are omitted since the Dairy Corp. liability in connection with this company has been eliminated.

Striking feature of reports for periods ended in 1935 and in 1936, which have just been issued simultaneously, is the deficiency in working capital due to bank loans. These loans are secured by deposit of various securities and are owed by Dairy Corp. and by its Toronto subsidiary, Canada Dairies Ltd. Describing the bank loans as "the corporation's real problem," J. A. Caulder, president, states: "With the improvement in earnings, the directors had hoped that it would be possible to refund these bank loans and it is still hoped that something may be done within the next year. However, until this is done, the interest on the debentures cannot be paid." Hence, debentureholders are being asked to accept one Class A share for each $3 of interest due in 1936, 1937 and 1938.

The annual meeting, first since 1934, has been called for June 18.

Cons. Income and Deficit Account

	12 mos. ended Mar. 31 1936 $	15 mos. ended Mar. 31 1935 $
Oper. profits	184,552	151,527
Add: Int. on Mt. Royal Dairies bonds	8,350	12,255
Sundry income (net)	10,805	12,438
Total income	203,707	176,220
Less: Bank interest	31,700	37,277
Mortgage interest	1,438	1,940
Depreciation	86,360	106,785
Prov. for taxes	17,113	11,902
Dairy Corp. deb. int.	9,778	......
Subsid. int. & div.	51,186	66,533
Net profit	6,132	*48,218
Less: Prev. deficit	147,242	96,783
Prev. yr. adjust.	†1,435	11,098
Cap. surp. transf., Edmonton City Dairy	......	30,647
Settle. of claim by Bank of Toronto:		
Canada Dairies	......	194,000
Dairy Corp.	......	64,000
Add: Net deficit at Dec. 31/33 of cos. not cons.	......	77,751
Deficits w/o against surp. from reorg.:		
Dairy Corp.	......	53,550
Subsidiary cos.	......	117,290
Distrib. surp. fr. reorg.	......	48,911
Deficit forward	139,676	147,242

*Deficit. †Credit item.

Working Capital

	1936 $	1935 $
Current assets:		
Cash	40,026	20,388
Accts., bills rec.	233,025	226,718
Inventories	80,114	76,652
Other current	23,610	23,614
	376,775	347,372
Current liabilities:		
Notes to banks secured	414,341	408,718
Notes to bks., part sec.	207,335	193,695
Bank overdrafts	......	14,101
Accts., bills payable	113,903	115,625
Other current	55,575	41,481
	791,154	775,620
Working cap. deficiency	414,379	428,248

Brewing Corp. of Canada

Brewing Corp. of Canada earnings for the quarter ended April 30 were less than for the same quarter of the preceding year. This has been the first time that there has been a drop in total earnings reported since the province of Ontario adopted the new method of sale of beer and ale through hotels and beverage rooms as well as through the Ontario Liquor Commission. The loss consequently after depreciation is $99,210 as compared with $39,786 for the same quarter of 1935.

Explanation given by E. P. Taylor, president, is that exceptionally severe weather conditions in March and April reduced consumption. He states that weather conditions in May were favorable and therefore favorable net profits are expected in the current quarter.

Despite the falling off in the quarter the profits increased for the 12 months ended April 30, 1936. Working capital remains strong, current assets being $2.5 millions and current liabilities $1.3 millions. Secured bank loans and overdraft stands at $523,830. Purchase agreement secured is down to $35,000 and $1.2 millions of 5½ per cent Series "A" sinking fund debentures due 1946 have taken the place of the various issues which were to fall due in 1936. Additional debentures issued and deposited with the trustee amount to $300,000.

Profit and Loss Account
3 Months Ended April 30

	1936 $	1935 $
Profit from oper.	554,941	568,898
Taxes	567,930	511,762
	*12,989	57,136
Other income	26,418	14,435
	13,429	71,571
Less: Interest	18,982	19,571
Depreciation	93,657	91,786
Loss	99,210	39,786
12 Months Ended April 30		
Profit from oper.	3,041,623	2,665,485
Taxes	2,411,500	2,097,258
	630,123	568,227
Other income	29,733	37,555
	659,856	605,782
Less: Interest	70,133	74,637
Depreciation	376,439	363,581
Profit	213,284	167,564

* Loss.

Mutual Finance Corp.

Mutual Finance Corp., Windsor real estate financing firm, shows an increase in loss for 1935, and shows earnings insufficient to meet mortgage interest, rents, and other similar charges. Net working capital is down to some $23,000 and surplus has been written down. Book equity for the $1,026,000 of capital stock is shown at $1,029,636, but eventually may be reduced by losses of principal invested in agreements for sale. The book equity is made up of assets of $2,269,000—including $1.9 million of agreements for sale and $262,000 as net equity in office building—less $25,000 of current liabilities and $1.2 million of mortgages, interest and deferred profit.

Profit and Loss Account
Year Ending Dec. 31

	1935 $	1934 $
Earnings	70,568	*13,680
Less:		
Int., salaries, etc.	88,904	......
Directors' fees	490	......
Legal fees	537	......
Exec. salaries	5,500	......
Taxes	3,296	3,350
Depreciation	322	2,533
Bldg. alteration	......	3,300
Discount w/o	......	2,284
Shrinkage on invest.	......	5,894
Loss for year	28,481	3,681
Prev. surplus	131,916	135,597
Less:		
Deferred profit†	81,070	......
Loss on invest.	18,729	......
Earned surplus	3,636	131,916

* After management expenses, fees, etc.
† Dec. 31, 1934.

Standard Chemical Co.

Standard Chemical Co., Toronto, reports sales of $1,328,340 in the year ended March 31, 1936, compared with $1,302,193 in the preceding year. Earnings improved substantially, amounting to 96 cents a share on the common compared with 5 cents a share. The accumulated deficit was reduced by nearly $36,000. M. L. Davies, president, states that markets generally were more active in the year and that indications are that general business is slowly recovering. Increased demand for the company's products, as reported by directors in November, 1935, continued into 1936. A. F. Cooper has been elected a director to fill the vacancy caused by the recent death of J. B. Tudhope.

Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Operating profit	123,760	......
Less: Exec. remun.	34,361	......
Legal fees	211	......
	89,188	48,127
Less: Write offs	29,224	28,971
Directors' fees	1,500	1,350
Net earnings	58,464	19,806
Less: Depreciation	17,500	17,500
Inc. tax reserve	5,000	346
Net profit	35,964	1,960
Prev. deficit	131,656	133,616
Deficit forward	95,692	131,656

Working Capital

	1936	1935
Current assets	986,982	934,864
Current liabilities	217,231	210,663
	769,751	724,201

Stand. Paving & Materials

Reduction of loss of Standard Paving & Materials Ltd. in the year ended March 31, 1936, is attributable to lower depreciation charges. The depreciation reserve is now 52.4 per cent of property account. Purchase of $50,000 of new equipment lowered working capital slightly.

Over half the year's work was done in the Maritimes, and this year the company has obtained more work in Nova Scotia. New Brunswick is considering road tenders. There is some prospect of work in Ontario. However, there is clearly no early prospect of a payment on the preferred stock on which dividend arrears totalled $26 a share at March 31.

Consolidated Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Net operating profit	41,623	44,621
Add: Misc. income	9,950	10,933
Net earnings	51,573	55,554
Less reserves:		
Deprec. & depletion	93,645	119,626
Net loss	42,072	64,072
Add: Previous surplus	366,401	426,005
Adj. re acquis. of min. int.	......	6,028
Less: Chg. applic. to prior year	......	1,560
Surplus forward	324,329	366,401

Working Capital

	1936 $	1935 $
Current assets	437,985	489,819
Current liabilities	59,390	86,333
Working capital	378,595	403,486
Ratio	7.40—1	5.67—1

Cons. Sand & Gravel

Consolidated Sand & Gravel, Toronto supply firm, shows a considerable reduction of operating earnings and after depreciation, an increase in loss for the year ended March 31, 1936. Volume of business was only 14.4 per cent of the 1929-30 volume, according to J. F. M. Stewart, president.

The company has bought in another 348 preferred shares, reducing the amount outstanding to 9,494 shares, but still increased working capital. With earnings below depreciation charges and a deficit accumulated, there is obviously no prospect of preferred dividends.

Income and Surplus Account
Years Ended March 31

	1936 $	1935 $
Operating earnings	15,736	83,507
Less: Gen. superint.	......	1,335
Selling expenses	......	11,767
Admin. expenses	......	20,056
Add: Inc. from invest.	4,680	2,834
Commissions earned	......	1,648
Net earnings	20,416	54,831
Less: Int. on mortgage	......	250
Deprec. & depletion	55,870	55,956
Bad debts w/o	......	1,176
Loss on sale of auto.	......	84
Net loss for year	35,454	2,634
Add: Previous deficit	106,749	104,115
Deficit forward	142,203	106,749

Working Capital

	1936 $	1935 $
Current assets	200,415	196,155
Current liabilities	4,060	4,086
Working capital	196,355	192,069
Ratio	49.35—1	48.00—1

Nova Scotia Light

Nova Scotia Light and Power Co.'s financial statement for 1935 shows an increase in gross revenue, but with practically no change in the amount available for distribution on the capital stock. However, during the year the company received a final dividend of $78,000 from a subsidiary company, which amount was used to declare a special dividend of $2 a share on the common stock.

Income and Surplus Account
Years Ended December 31

	1935 $	1934 $
Gross earnings	1,960,081	1,852,074
Less: Expenses	1,136,130	1,063,718
Taxes	197,151	179,182
Interest	241,649	222,174
Depreciation	150,000	135,000
Bond discount	3,386	260
Net profit	231,765	231,740
Less: Pfd. dividends	75,000	75,000
Com. dividends	103,569	103,569
Balance	53,196	53,171
Previous surplus	182,818	211,603
Add: Credits	18,381	*193
Sub. dividend	78,000	......
Trans. to reserve	83,103	81,763
Balance forward	249,290	182,818

* Debit.

Working Capital

	1935	1934
Current assets	723,220	279,496
Current liabilities	915,535	359,169
Working capital	‡192,315	‡79,673

‡ Unfavorable.

THE
WABASSO COTTON COMPANY
LIMITED

ANNUAL REPORT 1936

BOARD OF DIRECTORS
C. R. WHITEHEAD, President
JAMES W. PYKE, Vice-President
HUGH MACKAY, K.C. NORMAN J. DAWES WM. I. GEAR
WM. HARTY W. J. WHITEHEAD

Directors' Report to the Shareholders

Your Directors have pleasure in submitting herewith Balance Sheet as at 2nd May, 1936, together with Profit and Loss Account for the ten months period ended that date.

During the period under review a considerable change has taken place in the financial structure of your Company and in that of its Subsidiary Companies, viz., The Shawinigan Cotton Company Limited and St. Maurice Valley Cotton Mills Limited. Your Company acquired and took title as owner of the entire undertaking and Assets of The Shawinigan Cotton Company Limited, and all the fixed Assets of St. Maurice Valley Cotton Mills Limited and the following outstanding Bond issues were called for redemption on 1st May, 1936:

The Wabasso Cotton Company Limited First Mortgage 6% Bonds due 1st June, 1947.

The Wabasso Cotton Company Limited Mortgage & Collateral Trust 7% Bonds due 1st May, 1942.

St. Maurice Valley Cotton Mills Limited First Mortgage 6% Bonds due 1st June, 1952.

The Shawinigan Cotton Company Limited First Mortgage 6% Bonds due 1st December, 1949.

The redemption of these issues was made possible through the issue and sale by The Wabasso Cotton Company Limited of $3,000,000 First Mortgage Serial Bonds bearing interest at 3½%, 4% and 4½% per annum.

The Mortgage and Collateral Trust 7% Bond Sinking Fund Reserve no longer being required, has been used to write down the book value of your Company's investment in St. Maurice Valley Cotton Mills Limited.

Your Company held a considerable investment in the Bonds of St. Maurice Valley Cotton Mills Limited; the difference between the cost price and the par value of these Bonds was used to write off the Premium paid on the Bond Issues redeemed.

The result of your Company's operations for the ten months ended 2nd May, 1936, which includes the operations of The Shawinigan Cotton Company Limited from 28th December, 1935, is fully set forth in the appended Profit and Loss Account, from which it will be observed that, after making provision for all charges, including Bond Interest, Bond Discount and Income Tax and making allowance for depreciation of Property and Plant, there is a net profit of $83,020.14.

Your properties have been well maintained.

Your Directors desire to record their appreciation of the faithful and efficient services rendered throughout the year by the Officers, Staff and Employees of all Departments.

Respectfully submitted on behalf of the Directors.

C. R. WHITEHEAD,
President.

Three Rivers, Que., 26th May, 1936.

BALANCE SHEET
As at 2nd May, 1936.

ASSETS

Current Assets:—		
Cash on Hand and in Bank	$ 324,231.78	
Accounts and Bills Receivable, less Reserve	568,307.70	
Inventory of Raw Cotton, Partly Manufactured and Manufactured Stock, Supplies, Chemicals, etc., as determined and certified by the Management, and valued, as to Raw Cotton, at cost which is less than prevailing Market prices, and as to merchandise and supplies, at average cost or less and not over replacement value, less Reserves	973,911.34	$ 1,866,450.82
Cash in Hands of Trustees for Bondholders of Previous Issues		125,669.16
Property:—		
Real Estate, Buildings, Plant, Machinery, etc., at cost	$10,123,711.85	
Less: Reserve for Depreciation	4,239,258.34	5,884,453.51
Investments:		
Marketable Securities:—		
Bonds and Common Stocks of Canadian Companies (Approximate Market Value $25,599.88)	$ 25,505.18	
Non-Marketable Securities:—		
5,500 Shares St. Maurice Valley Cotton Mills Ltd. Common Stock, being the whole issue, less Reserve	221,160.26	
Sundry Investments, less Reserve	10,780.00	257,445.44
Deferred Charges:—		
Bond Discount, Unexpired Insurance, etc.		365,877.93
		$ 8,499,896.86

LIABILITIES

Current Liabilities:—		
Accounts and Bills Payable	$ 82,367.72	
Operating Expenses and Accrued Wages	54,110.80	
Accrued Government and Municipal Taxes	120,447.05	
Bond Interest Accrued	30,750.60	
		$ 287,676.17
Deferred Liability for Machinery Purchases		57,307.89
First Mortgage Bonds:—		
Authorized	$ 5,000,000.00	
Issued:—		
Series "A" dated 1st February, 1936, 3½% Serial Bonds maturing $150,000.00 in each of the first to fourth years	600,000.00	
4% Serial Bonds maturing $175,000.00 in each of the fifth to twelfth years	1,400,000.00	
4½% Fifteen Years Bonds	1,000,000.00	
		3,000,000.00
Capital Stock:—		
Authorized:—		
105,000 Shares of No Par Value.		
Issued:—		
69,903 Shares fully paid		4,192,240.00
Earned Surplus:—		
General Reserve	$ 500,000.00	
Balance as at 2nd May, 1936	462,672.80	
		962,672.80
		$ 8,499,896.86

Contingent Liability:—
For Bills Receivable under Discount..$10,104.00

(Signed) C. R. WHITEHEAD, HUGH MACKAY } Directors.

Montreal, 23rd May, 1936.

This is the Balance Sheet referred to in our report of this date.
(Signed) RIDDELL, STEAD, GRAHAM & HUTCHISON,
Chartered Accountants,
Auditors.

Profit and Loss Account
For the Ten Months Ended 2nd May, 1936.

Net Profit for the ten months ended 2nd May, 1936, before providing for Depreciation, Bond Interest, Sinking Fund, Bond Discount, Bond Refunding Expense, Directors' Fees, Legal Fees and Executive Salaries, and Reserve for Government taxes		$ 565,843.40
Interest on Investments		37,526.06
		$ 603,369.46
Depreciation on Property and Plant	$ 276,208.33	
Bond Interest	97,119.74	
Sinking Fund for 7% Bond Issue	9,323.75	
Bond Discount	12,459.51	
Bond Refunding Expense	23,400.67	
Directors' Fees	2,200.00	
Legal Fees and Executive Salaries	32,637.32	
Reserve for Government Taxes	67,000.00	520,349.32
Net Profit for the ten months transferred to Surplus Account		$ 83,020.14

EARNED SURPLUS ACCOUNT
As at 2nd May, 1936.

Balance at Credit 29th June, 1935	$ 317,266.49
Net Profit for the ten months ended 2nd May, 1936	83,020.14
Surplus of The Shawinigan Cotton Company, Limited, as at 28th December, 1935	62,386.17
	$ 462,672.80

Pressed Metals Earns 78c First Quarter on Common

Pressed Metals of America earnings for the quarter ended March 31, 1936, were $97,353 after all charges and taxes. This is equal to 78 cents a share on the number of shares that will be outstanding when the recent offering to shareholders has been completed. Volume of business is reported at $510,000 for this quarter and sales for the year are expected to exceed $2 millions.

Current assets stand at $513,408 and current liabilities at $116,658.

Bond Markets

Success Seems Sure For Dominion Loan

Cash Portion of New Dominion Loan Over-subscribed Before Books Opened — Alberta Situation Affects Other Western Bonds

Quick success of the Dominion flotation of $207 millions is expected. For the $20 millions portion of the loan which is being sold for cash, over-subscription was assured before the books were opened. Successful conversion of the $187 millions of bonds maturing in the current year is also looked for. The cash and conversion portion of the loan are both being offered at attractive prices which are slightly below open market levels for comparable issues.

The high-grade bond market appears to be entirely inured to shocks. Despite the announcement by Alberta that interest rates would be arbitrarily cut June 1 prices of Dominion bonds and high-grade provincial bonds continued to advance, The Financial Post index touching 114.99 compared with previous peak of 114.97 on Jan. 5, 1935. The fact that the high-grade market has not reacted to the Alberta situation is an indication of its underlying strength. If the Alberta action had taken place a year ago there would have been a sharp drop in bond prices and sale of Canadian securities from abroad.

Immediately following Premier Aberhart's announcement the market for Alberta issues disappeared entirely. During the past few days there has been no trading in Alberta issues and as result bond dealers have withdrawn all quotations.

Decision of the Alberta government to refrain from proclaiming the compulsory refunding act is taken as an indication that an agreement may yet be reached between Alberta and the Dominion government.

Underwriters report successful sale of the Hydro-Electric Power Commission $10 millions issue of 2½ per cent bonds.

Market Prepared

FROM the recent continuous rise in prices of high-grade government bonds prior to the Dominion government refunding loan, it is evident that the Bank of Canada has been active in preparing the market for the issue. The fact that announcement of the loan was made when the market was within a shade of a record peak was no mere coincidence.

While under the conversion privilege the investor has been given the opportunity of taking either long term or short term security, the government, no doubt, will desire to place as large a part of the issue as possible in the 30 year 3¼ per cent bonds. From the point of view of the government, long term borrowing is much more desirable than short term. In four years time it may not be possible to obtain as favorable a rate as at present. It is hardly likely that the yield of 1.63 per cent on the 4 year bonds will attract other than institutional buyers.

* * *

Power Bonds

AS A RESULT of the announcement by Attorney-General Roebuck that Ontario hopes to be independent of importation of power from Quebec within 10 years, Ottawa-Valley Power, Maclaren-Quebec, Gatineau and Beauharnois bonds have shown signs of weakness. Mr. Roebuck's announcement shattered hopes that Ontario might enter into further contracts for power with Quebec companies if and when power demand increased sufficiently to warrant such a step. It appears that the Ontario Hydro intends to develop its own sources of power in order to meet future needs.

* * *

Market Trends

REDUCTION of interest rates by Alberta has had an unfavorable effect on the bonds of the other western provinces, prices of which have weakened although the high-grade market has been rising sharply. All British Columbia and Saskatchewan issues lost ground and even some few of Manitoba's, losses up to 3 points being recorded.

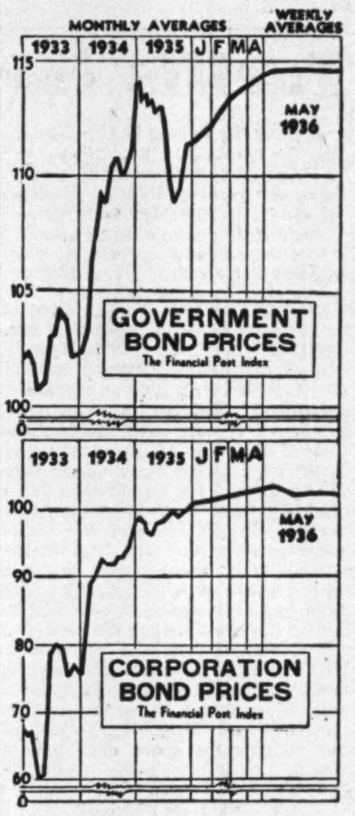
The market for industrial bonds has been subject to minor fluctuation recently. While high grade issues have maintained a fairly even keel secondary bonds have staged an erratic performance. Among the bonds to lose ground has been Massey Harris 5's, which have dropped from 89½ to 88¼.

The trend of the high grade market is indicated below:

The Financial Post Average Yield and Price for High Grade Government Bonds

1936	Yield %	Price $
June 2	3.256	114.99
June 1	3.261	114.96
May 30	3.264	114.91
May 29	3.265	114.90
May 28	3.268	114.84
May 27	3.272	114.81
Year's	3.256	114.99
Range	3.597	111.50

1935	Yield %	Price $
June 1	3.523	112.99
May 31	3.520	113.01
May 30	3.526	112.94
May 29	3.527	112.94
May 28	3.526	112.97
May 27	3.507	113.25
Year's	3.367	114.97
Range	4.097	106.57



Bond Tenders

12 noon, June 16, County of Dufferin—$62,000, 3½ per cent bonds, maturing 1936-1950. James Henderson, treas. Box 210, Orangeville.

5 p.m., June 17, Grand 'Mere, P.Q.—$69,600, 3½ or 4 per cent bonds, dated May 1, 1936, redeemable serially from May 1, 1937, to May 1, 1966. J. E. Derziel, sec.-treas.

Consolidated Chibougamau Options McKenzie Mines

From Our Own Correspondent

MONTREAL.—Consolidated Chibougamau Gold Fields Ltd. has notified the Montreal Curb Market that a payment of $20,000 has been made to the Chibougamau McKenzie Mines Ltd. under the terms of an option to purchase this company's property in McKenzie Township, in the Chibougamau district of Northwestern Quebec.

Brantford Cordage Offering Shares

Offering of 40,000 shares of 5 per cent first preferred stock of Brantford Cordage Co. is being made to present shareholders by A. E. Ames & Co.

The shares of $25 each are offered at $24.50, and the dividend of $1.30 a share will therefore return a yield of 5.3 per cent. Shareholders may buy 8 of the new shares for each 11 of the present 8 per cent shares held, up to June 13. The 8 per cent shares are being redeemed at $30 each on July 15.

Proceeds of the sale will provide part of funds to redeem present 8 per cent shares. Particulars of the new offering follow:

Brantford Cordage
40,000 Shares 5% First Preferred Stock

Company—Manufactures binder twine.

Capital—This issue, $1,000,000 of 5% first preferred shares of $25 each; $850,000 second preferred; $80,000 common shares; both latter privately held.

Earnings—Average net profit last 11 years 3.53 times dividend requirements; for year to Aug. 31, 1935, 4.27 times requirements.

Dividend—$1.30 a share.

Redeemable—At $26.50 a share.

Sinking fund—Starting Dec. 1, 1936, 50 cents annually per first preference share.

Votes—First preference non-voting unless 1 year's dividends in arrears.

Offer—To holders of 8% first preference shares at $24.50 a share, yielding 5.3 per cent, by A. E. Ames & Co., Toronto.

Supertest Pete Redeems 7 p.c. "A" Preferred Stock

Supertest Petroleum Corp. has announced its intention of redeeming the outstanding 2,083 shares of 7 per cent Class A preferred stock on June 30 at 110 and accrued dividends.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Ontario Steel	6%	1943	July 1	110
Robt. Simpson	5%	1952	July 1	105
Imperial Realty	6%	1945	July 1	102
Catholic Epis. Corp. Timiskaming†	5½	1932-56	July 2	101
Dom. Canners	6%	1940	Oct. 1	110
Saguenay Pr.	6%	1966	July 1	104½
Can. Canners	6%	1950	July 2	105
St. Law. Flour.	6%	1941	July 1	110
Famous Players	6%	1948	July 1	103
Do.,	6½%	1948	July 1	103
Inter. C. Baking	‡5½%	1948	July 1	103½
Do.,	•5½%	1948	July 1	103½
Nfld. L. & Pr.	7%	1949	July 1	105
St. John Dry D.	4%	Serial	July 5	103
Continental Pap.	6½%	1943	Aug. 1	102

† $65,000.
‡$36,000 for sinking fund purposes.
•$164,000 called under redemption provisions.

Stock Issues:	Rate	Stock	Date	Price
Brant. Cordage	8%	Pref.	July 15	102

Religious Issues

Sisters of Charity, Qué., 5%, July 1.*
Fab. Sainte-Thérèse de Blainville, émission juillet 1925, 5%, July 1.*
Pères Eudistes, de la Province de Qué., émission $130,000, 5%, July 1.†
Sisters of Charity of Saint-Louis, Bienville 5½%, July 1.†
Fab. Saint-Jean Damascène, Montréal, émission 1930, $85,000, 5½%, July 1.▲
Diocese of Timiskaming, émission $65,000, 5½%, 1932-56, July 1.†
Notre D. Hospital, Montréal, 5½%, Oct. 1.▲

*Price 100; ▲102; †101.

NOW IN MONTREAL

JAMES C. THOMPSON
Who has been appointed Montreal manager of Clarkson, Gordon, Dilworth, Guilfoyle & Nash, chartered accountants. Mr. Thompson was formerly provincial auditor for Alberta.

Nfld. Power Calls Bonds

High Coupon Debentures Will be Redeemed Next July

From Our Own Correspondent

MONTREAL.—Newfoundland Light and Power has called for redemption on July 1 next all of its outstanding 7 per cent mortgage debentures at 105 and accrued interest.

At the end of 1934 the financial statement showed $464,000 of these debentures outstanding. The amount has since been reduced through operation of the sinking fund.

This is the second major capital change announced by the company in the last few months, all of the 6 per cent first mortgage bonds, series "A" having been redeemed at the beginning of the year and replaced with a new bond issue carrying a coupon rate of 4½ per cent.

As Newfoundland Power is controlled by International Power and does not issue a separate financial statement it is not possible to say whether or not the company can take care of this redemption from reserves. The possibilities are that the company will refinance the redemption of the mortgage debentures through a new security to be offered by Royal Securities Corp.

Power Corp. Group Reports Larger Output

From Our Own Correspondent

MONTREAL.—Power Utilities in which Power Corp. of Canada controls or is associated, reports an output of 187.4 million kw.h. during April, as contrasted with 162 million kw.h. for the same month last year, an increase of 15.6 per cent..

Of the eight utilities included in the group, gains over last year were shown by six, with only two under last year and in each instance the decline was of moderate proportion.

Comparative output figures follow:

April:	1936	1935
Southern Canada	23,447,660	20,357,380
Canada Northern	47,936,214	46,383,351
East Kootenay	6,453,782	6,970,048
B. C. Power	40,942,243	37,456,350
Northern B. C.	915,896	867,116
Winnipeg Electric	16,624,000	17,806,400
Manitoba Power	50,279,000	32,018,000
Northwestern Pwr.	818,500	173,000
	187,417,295	162,031,645

Price Bros. and Co. Petition Taken Under Advisement

From Our Own Correspondent

MONTREAL. — Petition by the trustee of Price Bros. and Co. asking if a contrary vote by one creditor can block reorganization plans already approved by shareholders has been taken under advisement by Mr. Justice Romeo Langlais.

The company's sponsored plan of reorganization for Price Bros. was approved unanimously by the preferred and common shareholders and by all the unsecured creditors except Saguenay Power Co., whose adverse vote was sufficient to prevent securing the necessary percentage of support from the creditors as a group.

Public Utility Earnings

Barcelona Traction

April—	1936 Pesetas	1935 Pesetas	Increase Pesetas
Gross earn.	9,628,696	9,607,826	20,870
Oper. exps.	4,139,319	3,727,027	412,292
Net earnings	5,489,377	5,880,799	*391,422
Aggre. gross from Jan. 1	43,216,842	42,476,972	739,870
Aggre. net from Jan. 1	27,714,846	27,020,946	693,900

* Decrease.

B. C. Power Corp.

April:	1936 $	1935 $
Gross revenue	1,165,957	1,080,504
Operating expenses	823,933	754,131
Net revenue	342,024	326,373
10 Mos. End. April 30:		
Gross revenue	11,629,917	10,884,315
Operating expenses	7,910,714	7,290,523
Net revenue	3,719,203	3,593,792

Canada Northern Power

April:	1936 $	1935 $
Gross revenue	369,603	359,092
Oper. expenses	140,302	133,594
Net revenue	228,801	225,498
4 mos. ended Apr.:		
Gross revenue	1,498,132	1,429,507
Oper. expenses	563,250	535,038
Net revenue	934,882	894,469

Jamaica Public Service

April:	1936 $	1935 $
Gross revenue	74,960	71,380
Oper. expenses	30,772	29,290
Net revenue	22,139	20,818
4 mos. ended April:		
Gross revenue	296,761	282,784
Oper. expenses	119,638	115,124
Net revenue	84,700	81,178

Bond Men Ask Vancouver to Change Views

City Told Proposed Interest Cut Will Prove Harmful

HAVE ALTERNATIVE

From Our Own Correspondent

VANCOUVER.—Bond dealers told the Vancouver city council frankly last week that their efforts to reduce the interest rate on bonds would probably be as futile as those made last year, and warned the aldermen that another conference with bondholders, as proposed, would lead inevitably to weakening of the city's credit.

Vancouver is seeking refunding of the $74 millions debt on a 3 per cent basis, as compared with the present 4.67 per cent average. The proposed reduction would save the city about $3,500,000 annually.

The B. C. Bond Dealers Association and the Associated Vancouver Investment Dealers urged the council to abandon its proposed meeting with bondholders July 6.

The bond dealers advised the council that its present tactics were ill advised, and that the methods so far employed could not hope to attain the desired result.

Suggest Alternatives

The bond dealers suggested a programme as an alternative to arbitrary interest reduction which they believed would accomplish the desired object without damaging the city's credit. The programme would consist of the following points:

1. Promotion of a Jubilee campaign to encourage tax payment.
2. Continuance of aggressive realization on tax sale properties.
3. Insistence on return of provincial government grants in full.
4. Search for revenue sources other than real estate.
5. Definite determination to keep expenditures within the annual estimates.
6. Provision of means for adequately publicizing the brighter side of Vancouver's position financially.

Magazine Paper Order Aids Provincial Paper

S. F. Duncan, president of Provincial Paper Ltd., confirms earlier reports that the company will continue to provide Canadian-made paper for the Canadian edition of a U. S. magazine circulated in Canada, by which about 1,600 tons will be provided annually.

The fine paper department of Provincial Paper at Port Arthur is engaged on the order one day a week. Expenditure for Canadian materials amounting to about $33,000 per 1,000 tons is involved, in addition to labor of about 14,000 men days of eight hours each.

Subsidize Highway Bridges

Since 1908 the Quebec government has paid municipalities $15,675,237 for the construction of highway bridges.

NEW ISSUE
Dominion of Canada
3¼% Bonds
Maturing June 1, 1966
Price:—99 and accrued interest
To yield over 3.30%
●
DOMINION OF CANADA 5% BONDS DUE NOVEMBER 15, 1936 MAY BE CONVERTED INTO THIS ISSUE AT 101.83 FLAT.
●
Full particulars upon request.
●
BELL, GOUINLOCK & CO.
LIMITED
MONTREAL 25 KING STREET WEST WINNIPEG
TORONTO, CANADA
TELEPHONE: ELGIN 2236

Railway Earnings

Canadian Pacific Railway

April:	1936 $	1935 $
Gross revenues	10,580,235	9,386,542
Operating expenses	9,242,778	8,573,945
Net revenues	1,337,457	1,412,597
Aggregate to April 30:		
Gross revenue	39,864,228	36,424,814
Operating expenses	35,699,067	32,910,521
Net revenues	4,165,161	3,514,293

Canadian National Railways

April:	1936 $	1935 $
Gross revenue	15,041,771	14,003,423
Operating expenses	13,586,465	12,476,428
Net revenue	1,455,306	1,526,995
Aggregate to April 30:		
Gross revenue	55,321,542	52,374,159
Operating expenses	53,789,494	50,365,465
Net revenue	1,532,048	2,008,694

Continental Paper To Pay off Bonds

From Our Own Correspondent

MONTREAL.—Continental Paper Products Ltd., controlled by Continental Paper and Bag Corp., which in turn forms part of International Paper Co., has called for redemption on August 1 next at 102½ all of its outstanding 6½ per cent first mortgage collateral trust twenty-year sinking fund bonds, series A. At the end of last year there were outstanding $315,000 of these bonds, of which $21,500 were held by associated companies and $293,500 by the public.

These bonds were originally issued in 1923 by Royal Securities Corp. by a syndicate headed by the Royal Securities Corp., Montreal, to the extent of $750,000.. Through operation of the sinking fund the amount outstanding has been reduced to the amount mentioned.

New Financing Unlikely

There is no indication that the company will carry out new financing, it being understood that the bonds will be redeemed from the company's own resources.

No financial statement is issued by Continental Paper Products, earnings being consolidated with those of International Paper and Power Co.

"LOOK AFTER THE ESTATE FOR ME"

She was not equipped, nor did she wish, to manage the estate her husband left her. The management of stocks, bonds, mortgages, real estate and other investments was an anxiety and a heavy responsibility.

So she availed herself of the services of The Royal Trust Company. It cost her little and it saved her much.

Our booklet "Management Service" will gladly be sent to you on request.

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CANADA'S HIGHWAYS ARE HIGHROADS TO PROSPERITY

Out of an aggressive pioneer past and into a future already assured of prosperity run the highways of Canada—main routes, secondary and tertiary roads — all contributing greatly to present day progress — all pointing the way toward a better tomorrow.

For her development from a land of hope into a great country of many millions, teeming cities, industries, institutions —for her present assured place in the international sun—Canada owes much to her roads.

And for her roads—for their development and expansion—ever keeping step with progress—ever setting a new pace for progress to follow—Canada owes much to the men who created these highway hostages to fortune.

Statesmen who thought beyond the confines of their own immediate horizon and who visualized the needs of the traffic of the future. Engineers who conquered the toughest obstacles that ever faced the builder—strong, patient, willing men whose brawny arms completed the work—these are the men who made the roads possible, who keep them up to date and who build for the future. These are the men to whom Canada owes much of her present day prosperity — to whom she will owe even more in the future.

Crawley & McCracken Company, Limited, "Canada's Biggest Cook", is proud to have been identified with recent progress of Canada's highway system—proud to have served the men on the job—to have relieved busy executives of petty camp detail—to have kept the workers happy and healthy and willing—in all localities and in all weather.

CRAWLEY & McCRACKEN
COMPANY, LIMITED
MONTREAL 25th Year TORONTO
SUDBURY CHAPLEAU
NORTH BAY PORT ARTHUR KENORA
COCHRANE LONDON SAULT STE. MARIE

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Arvida, P.Q.	May	Banque Canadienne Nationale	4%	25-ser.	$450,000	98.85	.....
Dominion—							
Canada	June	....	3¼%	1966	20,000,000	99	3.30%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues—	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
Hydro-Electric Power Comm. of Ontario	May	Bank of Montreal and Syndicate	2½%	1944	$10,000,000	98.91	[illegible]
Bath-Bristol-Florenceville Hydro-Electric District	May	Eastern Securities Corp.	4½%	20-yr.	[illegible]	99	[illegible]

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TORONTO, JUNE 6, 1936

Obsolescence and Recovery

ONE of this continent's outstanding industrialists nailed his colors to the mast of technical modernization last week by declaring that in his opinion "a very definite and fundamentally sound opportunity" for solving the problem of unemployment lay in "a more aggressive and intelligent capitalization of obsolescence."

The words are those of Alfred P. Sloan, president, General Motors Corp., who urged that to promote a recognition of obsolescence is to accelerate progress along lines entirely in harmony with the economics of our problem. He said:

> "Through the darkest days of the depression, when everything was either stagnant or moving backward, industry was busy in its engineering and research workshops devising better processes which resulted in cheapening the costs of present things and developing new things—thus formulating a broad attack all along the line of our standard of living.
>
> "The result is, we now have available new and better materials, new developments and more efficient instruments of production. As a matter of fact, it may conservatively be said today, broadly speaking, that America's production plant is obsolete.
>
> "I urge that we inject into industry's economic set-up a more adequate provision for obsolescence.
>
> "Next we should stimulate the movement through a more intelligent system of taxation. At the moment, we are trying to go the opposite way.
>
> "Elsewhere they have adopted a policy of promoting rebuilding through exemption from taxation where the new is substituted for the old. Certainly, is it not better to have more efficient equipment, to employ more workers on constructive work, in order to revive the self-respect and confidence of all workers, to give a broadened opportunity to our youth, to help balance our national budget, than to continue what we are doing?"

Not only does Mr. Sloan give enthusiastic endorsement to the campaign for modernization that has been actively supported by The Financial Post during the past year. He also puts his finger on one specific starting point to this problem — namely, the need for a new and up-to-date taxation approach on the part of Government.

For years our laws have been designed to make provision for depreciation, but offer no encouragement to industry to provide against what is at once a hazard and an opportunity—obsolescence.

Of all the public companies of which The Financial Post has record, there is only one which shows an obsolescence reserve (although many companies provide for obsolescence by writing off more for depreciation than the income tax authorities recognize.) Yet it is difficult to name half a dozen firms for whom this factor of obsolescence is not a matter of life and death.

This problem should be thoroughly studied by the new National Employment Commission, which should outline a taxation policy of recognizing obsolescence as a business cost and thus help speed Recovery through Modernization.

Undesirable Competition

THE application of the Canadian Pacific Railway to the Quebec legislature for a charter to build into the Rouyn district illustrates one of the defects of Canadian law bearing on railways — the double jurisdiction of the provinces and the Dominion. To that circumstance are due many of the railway troubles of the present. A great deal of excessive building was authorized in former years by the Dominion government, but the errors thus made were multiplied by provincial action in granting charters and in guaranteeing securities. The finances of both British Columbia and of Alberta have suffered severely from the guarantees of those provinces for railway construction. Each of them escaped still greater losses when they were, in effect, released from their guarantees of securities for Canadian Northern and Grand Trunk Pacific branch line construction by the absorption of those lines in the National System. Saskatchewan escaped entirely from railway losses on that account, which otherwise might have been very severe.

Now that the railway problem has become of such surpassing importance to Canada, complete responsibility for solution, in so far as governments can contribute to a solution, should be left with the Dominion government and the Parliament of Canada. Indeed, it might be possible to do much better if the whole transportation situation, including that by road and by air, could be made a Dominion concern.

Competition between railway and highway is quite as important a part of the transportation difficulty of this country as is competition between the different railways, and there can be no doubt that in some aspects it is just as wasteful. A national transportation policy would attempt to curb the wastes while retaining the benefits of highway transportation, and would succeed in co-ordinating highway and rail transportation. Perhaps the geographical and political difficulties in the way will permanently prevent such a national policy being worked out. But at least the provinces might make the self denying gesture of leaving railway transportation for the future to the exclusive jurisdiction of the Dominion. Nor, in the long run, would such a development be found inimical to the interests of the Canadian Pacific Railway, even though it is the company which is currently applying for provincial action. So long as the Dominion sense of responsibility for the railway situation is impaired by the provincial governments retaining some part of the field, so much longer will be delayed comprehensive handling of the whole problem.

If and when Canada gets around to the business of constitutional amendment, one of the desirable changes will be the complete abandonment of railway matters by the provinces to the Dominion.

And these considerations are sound quite regardless of the merits of the application currently being made by the Canadian Pacific Railway.

We were happy to observe in the Toronto Globe a letter from R. J. Deachman, M.P., on this subject. He deplored the "competition" between the C.N.R. and the C.P.R. to build the new line and urged that a competent governmental body first determine in such cases if new facilities are really required and then what form of transport or which railway could most economically provide it.

About Amateur Pilots

"Henceforth Governments must be on the bridge, not upon the shore watching the ships go by."

SO SAYS Hon. William D. Herridge. The erstwhile minister to Washington basked too long in the light of the New Deal in the days when its brightness seemed to be that of the sun and before people discovered that it was merely radiating moonbeams.

Government has a function to perform as lighthouse keeper. But the lighthouse keeper who tries to pilot a big ship through the narrows usually runs it up on the rocks.

Farmers Buying Again

WHILE rural recovery in the West still leaves much to be desired, in Ontario, from which one-third of Canada's total agricultural products were produced in 1935, the depression seems definitely over. Purchasing power in that province, according to a survey by the Canadian Countryman, is now back to the 1930 level and is still climbing. This happy position has been brought about by two factors: a distinct improvement in cash returns coupled with a steady decline in the price of those things a farmer must buy. Says the Countryman:

> "The relative cash returns from agriculture in Ontario for various years, in millions of dollars, were roughly as follows:

1931	1932	1933	1934	1935
$	$	$	$	$
169	131	145	161	182

> "Thus the cash returns of agriculture in Ontario were about 13 per cent higher in 1935 than in 1934, they were very much higher than in 1932 and appreciably more than in 1931.
>
> "This, of course, is not the whole story by any means. The costs of production in agriculture have fallen. The things farmers buy have, generally speaking, come down in price. While taxes in cities like Toronto have gone up, the tendency has been for farmers' taxes to come down. Moreover, interest rates have been reduced, so that money costs farmers less than it did a few years ago, and a very large number of farmers have benefitted from a reduction in the principal of their mortgages.
>
> "The reduction in the cost of things farmers buy has naturally a very important bearing on the purchasing power of agriculture in Ontario. Quite a number of concerns which do both a rural and urban trade, report that their business with farmers is relatively better than their business in large cities like Toronto, and it is natural that this should be so.
>
> "When prices are on the upgrade as they have been during the past three years, it is only natural that farmers should be the first to benefit from improved conditions."

U. S. Cattle Quota Nears Limit

OVER half of Canada's annual quota of beef cattle entering the United States under the recent trade agreement was exhausted in the first five months of the current year. It now seems certain that total shipments will exceed considerably the allotment of approximately 155,000 head, on which there is a special duty of two cents per pound in place of the former three cents levied.

Incidentally, this allotment also covers shipments from Mexico, but so far Canada's exports of over 90,000 head up to the end of May account for over four-fifths of the total from the two countries.

Sharply lower prices in the United States have failed to stem the flood of Canadian shipments, and there are no indications yet of any great liquidation of cattle stocks in this country. Neither has there been any indication of exhaustion of stocks in the United States upon which any reasonable hope of an enlargement of the quota might have been based. When American retail beef prices were at near record levels a year ago there might have been some ground for some such a hope, but the fact that slaughtering in April was at a volume not exceeded since 1918 would point to an abundance of supplies in that country, the 1934 drought and the A. A. A. notwithstanding. Indeed, present hopes for better beef prices in United States are not based on scarcity of supplies, but just the reverse; the reasonable expectation of a big increase in consumption following sharply lower retail prices.

In view of the imminence of an overflow of the Canadian-Mexican quota, common sense demands that Ottawa bring the shippers together to work out some orderly plan in advance to cope with such a situation rather than have a last minute rush of undesirable animals which may seriously threaten future exports. So far, however, there has been no official pronouncement, and lacking this, individual exporters will undoubtedly soon start jamming animals through as total shipments near the quota mark, hoping theirs at least will get in before the allotment is filled and the old higher duty automatically comes into force.

Improvidence in Alberta

APART from the question of right or wrong in Alberta's plan to reduce interest on its bonds to 2½ per cent, the Aberhart government is planning the most foolish improvidence in issue of "certificates" as payment for road construction.

The government's aim is to save some $2.5 millions annually by reducing the interest rate on its bonds. It plans, however, to issue certificates for wages to road workers, the amount probably equalling or exceeding the estimated saving in debt charges.

The reputed intent in reducing bond interest is to balance the budget. The government by issuing certificates will be creating new debt and unbalancing the budget again, using the saving forced on bondholders to undertake new extravagances.

Editorial Notes

Out in Edmonton they are suggesting Mr. Aberhart as the new president of the University of Alberta. Would Major Douglas head the department of economics?

* * *

Judging by the photographs of Ontario's new Tory leader that have been appearing in the Toronto papers, the expenses of his convention delegates must have been paid by the overall manufacturers.

* * *

Col. George A. Drew did not get the Conservative leadership in Ontario, but he was a good second. This ensures him of a place in the cabinet (if, as and when the Conservatives get back into power), should he desire one. Col. Drew would be an asset in public life.

* * *

Someone remarks on the disappearance of the "retired farmers" who were once the background of Ontario's smaller communities. Farmers are still retiring but there is a strong temptation for them to accept the safe pension of a relief cheque and it is to the relief rolls the new crop is going.

Post-Scripts

Public Enemies 1 to 5

THE Dionne quintuplets now have $500,000, the newspaper reporters tell us. That means their earnings have been at the rate of $50,000 per annum apiece, which is a good income and ought to qualify the quints to rank, in the minds of University of Toronto economists and others who protest against large incomes, as public malefactors and exploiters.

The Dominion income tax on $50,000 a year is $11.700. If the quints have been paying their taxes regularly, Ottawa should have received about $115,000 from them already. The new Ontario schedule should increase the annual payment by $3,200.

Hon. David Croll says that by the end of 1938 the quints will be worth about $880,000. But he does not say whether this is after or before income tax.

This whole question of quintuplets' income tax bothers us. Some day some member of Parliament is going to ask questions in the House. That will embarrass the young ladies.

Someone may even demand a Royal Commission. After all the quints are about the only successful business people in Canada who have not been up before a star chamber inquisition on how they earn their money and what social income they provide in return.

Sayings of the Week

"We are not war conscious in Quebec."—*S. W. Jacobs, M.P.*

* * *

"The more speeches I make the wetter the country gets."—*"Pussyfoot" Johnson.*

* * *

"You can't make people buy more of a thing than they need or things they want by treaties." —*Premier Koki Hirota of Japan.*

* * *

"Miraculous cures, necromancy and other forms of supernaturalism have now more adherents than in the last century."—*Dean Inge.*

* * *

"Coming as I do from the Green Isle, I know that porter and stout do not tend to develop manhood and character."—*Rev. Daniel McIvor, M.P.*

* * *

"The non-permanent militia consists of young men in business and they are sick and tired of such small support from Parliament."—*T. L. Church, M.P.*

* * *

"I think the tax on anything that tends to put on fat and does not develop muscle and brain should be as high as possible." — *Rev. Daniel McIvor, M.P.*

* * *

"No moneyed men have ever destroyed a country or civilization by their wealth, but on the contrary, have contributed to both."—*George Barton Cutten.*

* * *

"In my judgment the great majority of criminals today are not born that way; they are made that way by social maladjustments."— *J. S. Woodsworth, M.P.*

* * *

"No government should have any power over the people which is not necessary for the peace, order and good government of the nation."— *Senator George Lynch-Staunton.*

* * *

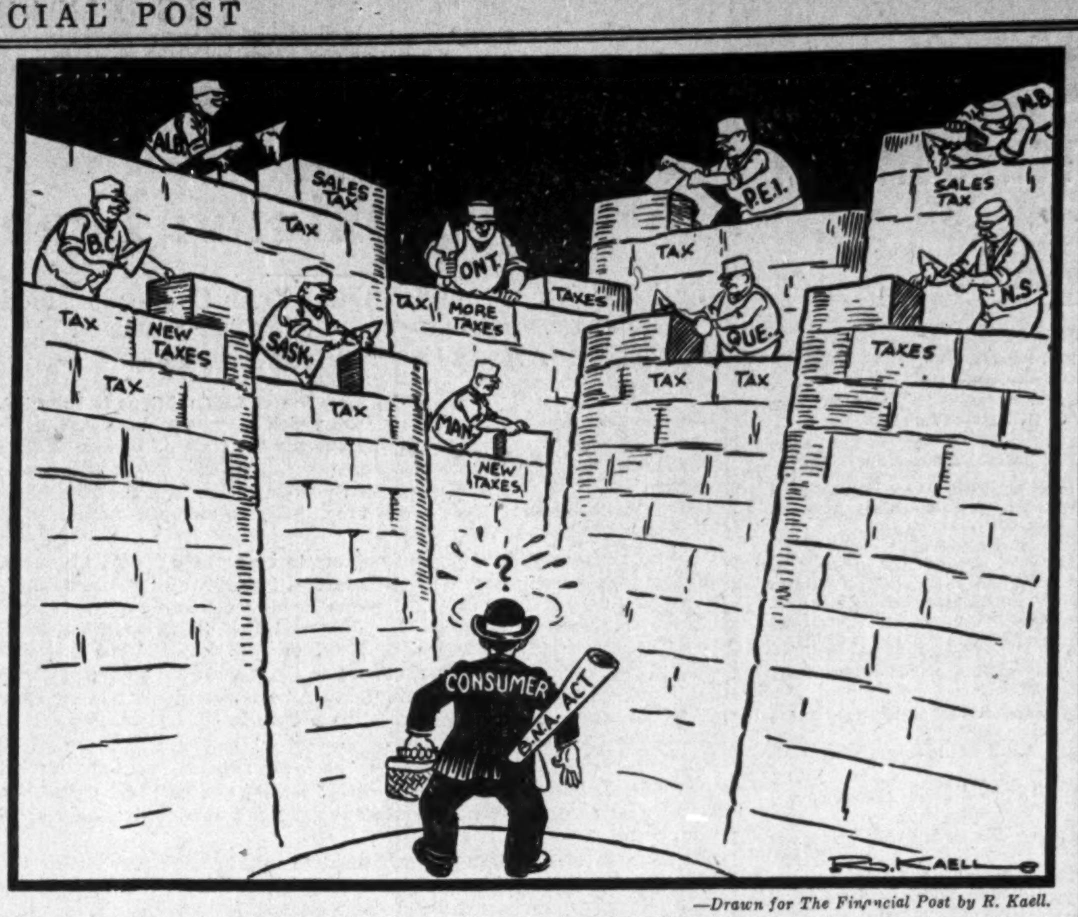
"These two Katzenjammer youngsters are elevated to a position of great importance because of their ability to escape the just retribution of their misconduct." — *Rt. Hon. R. B. Bennett.*

* * *

"Owing to my parents seeing fit to give me an unusual first name it appeared on the ballot paper that way. When that name was given me I was too young to make an effective protest." —*Major James Coldwell, M.P., described by another M.P. as a "confirmed pacifist."*

* * *

"There is the possibility, which I hope is a very remote one, of Canada's being compelled at any time to dispatch an expeditionary force in order to fulfill her obligations under the terms of the covenant of the league (of Nations)."—*Hon. Ian Mackenzie, Minister of National Defense.*



—*Drawn for The Financial Post by R. Kaell.*

NINE MORE TARIFF WALLS

"Let us not encourage the province to establish a succession of competitive taxation levies, each one assessing the others and thus drive a wedge between the various sections of the Dominion."—*Rt. Hon. Arthur Meighen, in the Senate.*

Tariffs for Provinces?

During the debate in the Senate on the proposal to amend the B. N. A. Act to permit the provinces the right of imposing indirect taxes, Rt. Hon. Arthur Meighen contributed two notable criticisms. From his second speech on the subject these extracts are taken:

Senator Meighen: The question is not whether taxes are needed or not. Certainly they are needed—sadly needed, distressingly needed, as they always will be so long as we are a democracy. But has not our main problem for years been the duplication of taxation by provinces and Dominion? How many debates have we not had in the two Houses as to effecting some method of eliminating the duplication and the enormous expense and the trouble incurred by it? Any in this House—and I know there are many—who have had such experience as I have had of the multiplicity, the plethora, the terrible abundance of returns which must be made to this government and to that, would have some idea of what this awful duplication means. In the larger institutions of our country there are departments that do nothing but prepare government returns.

Multiplying Taxation

Are we now moving along the line of eliminating this duplication? No. We are multiplying it; we are carrying it into other fields. Why not divide the fields? Would it not be economy to do so? Would there not be simplification, and would there not be an unloading of the terrific burden that now rests on business? Why did I get no attention . . . . when I made the suggestion that we retire wholly or in part from the income tax field? When Sir Thomas White reluctantly agreed to that tax he warned the country that in adopting it we were entering a field hitherto reserved to the provinces. If we made a mistake, let us retire, even if we have to put on an additional sales tax—an indirect tax. Is not that method far simpler and more economical? Why carry the curse of duplication into every sphere of taxation?

So much for that. I come now to the point I really want to answer. I tried the other night to make the argument that, by passing this resolution and obtaining the amendment asked for, we enable the provinces to discriminate between their own residents and traders from outside who seek to do business within the provincial domain. We enable the provinces to do that to the extent of completely shutting out the outsider's goods. They can shut them out or make the tax so high that the goods will rot on the shelves.

Present Limitations

The rt. hon. senator (Mr. Dandurand) says they can do that now. He says a city like Ottawa can impose a license on an outsider from Hull, for instance, and has done so. That is quite true. The city of Ottawa can impose a license on an outsider who comes in to compete with an Ottawa citizen who pays taxes which the outsider does not pay. But that can be done only to this extent:

First, there must be no discrimination among those outside. Outside of Ottawa the tax must be of universal application.

Second, it can be done only to the extent of exclusion. This has been established by decision after decision.

Third, it can be done only to the extent of equalizing what the outsider pays with what the resident pays.

It can go no further. The power to discriminate is distinctly nonexistent. No city, no municipality, can discriminate.

Discrimination Rampant

Under what is proposed, discrimination can run rampant—New Brunswick today, Alberta tomorrow. —No; Alberta the day before yesterday, for it discriminates already.

New Brunswick says: "If a company owned in Ontario or Quebec comes into our province to sell its goods, they are going to be taxed beyond what the people of this province have to pay." The provincial legislature can put on a tax of 20, 30 or 40 per cent and thus make it impossible for outsiders to trade in the Province of New Brunswick. Alberta can do the same thing.

Should New Brunswick go further and say: "If some firm in Montreal wants to build bridges or roads in this province, we will collect a share of everything it gets for its contracts," where is interprovincial trade going to be?

Now I come to the last point. The rt. hon. senator from Eganville (Mr. Graham) says: "It is very problematical whether anything like that would happen. I cannot believe the provinces would act in such a non-commonsense way."

My answer is that they are doing it. And I press this fact upon the rt. hon. senator from Eganville: When he votes for this address he votes for the New Brunswick legislation; he validates it. He is putting his signature to the legislation, because by this address we are declaring to be legitimate, legal and intra vires all the legislation already passed.

Senator Dandurand: Which is claimed to be intra vires now.

Senator Meighen: No. If it is intra vires now, why are we asked to legislate retroactively? It is because the government believes it is not intra vires that it asks us to take this step. No lawyer with any respect for his reputation would suggest that the New Brunswick statute is intra vires. It is as far from being intra vires as anything that could be conceived. It is indirect legislation of the plainest type.

Then the right honorable senator says: "Why, the provinces can tax now. But it is rather awkward for they have to tax the consumer by making the seller the agent of the government in collecting." But what is awkward about that? When you tax the consumer you tax without discrimination. You cannot distinguish the consumer who buys goods produced in Quebec from the consumer who buys goods produced in New Brunswick. The tax has to be universal throughout the province. That is the distinctive feature, and it is a vital one. It is such that if we shut our eyes to it we shall be blind to our duty as legislators. So long as the provinces are compelled to tax the consumer direct, as they are now, they cannot discriminate and thereby destroy interprovincial trade.

Paper Prices vs. Paper Capital

Last week the House of Commons passed several items in the new tariff, relating to paper and other raw materials used in the production of Canadian magazines. During the debate the following discussion took place:

Sir George Perley: What is the object of this item?

Hon. Charles Dunning: It is to give . . . . . relief to the publisher of magazines in Canada with respect to Canadian taxation, having regard to the competition to which he is now subject from American publications.

Sir George Perley: . . . . . I must put myself on record as not being in favor of doing this if it is going to reduce employment in Canada or take away work which we ought to do here in the manufacturing of our own paper. I realize that perhaps some of this paper cannot be made here, but we have now companies in Canada which manufacture very high-grade qualities, and I think those companies should be encouraged. I do not want to do anything to hurt the publication of magazines. I was very sorry indeed that the regulations made by the former government imposing taxes on foreign magazines were removed by the present government. . . . .

Mr. Dunning: After considering the matter very fully, I believe this degree of drawback represents a fair concession to the publishers without the danger to other Canadian industries which my hon. friend, like myself, would fear if it went too far. . . . . .

Paper Companies Protected

R. J. Deachman: I venture to make the suggestion that the government in this matter has not been over-generous. I am not worried particularly about the point . . . . that the paper companies are in danger from the extension of this small drawback.

I have before me the record of the two largest companies in Canada making this class of paper, the Howard Smith Paper Company and Provincial Paper Mills Limited. Both these companies went through a process of expansion of their fixed charges by means of reorganization, in different years.

On June 1, 1928, the Howard Smith Company went into its mill with total securities of $10,664,300, and, without increasing its actual assets, emerged a few days later with a capital of $14,400,621, an increase, which may be represented as not much more than pure water, of $3,736,321. By that process they increased the fixed charges of the company in the sum of $140,000 a year.

The Provincial Paper Mills was not quite so strenuous, though it was bad enough in all conscience. It went into this process of expansion on May 1, 1927, with a capital of $6,550,000, and without increasing its assets emerged with $8,900,000, a total increase of $2,350,000.

The combined increase amounted to $6,086,321 of capital, and the increased fixed charges by way of interest on bonds amounted to $377,000 per year. . . . . I venture to suggest that two corporations which can afford to add to their fixed charges $377,000 in a single year without adding to their real assets will be able to withstand the measure of competition to which they will be subjected by this change in the budget.

What Magazines Did

In 1928 the drawback was extended to eighty per cent. At that particular period Canadian companies publishing magazines were able to use better paper. They increased their use of paper. The increase in the use of this classification went up more during the next three years than in any similar period of Canadian history. Nor were these paper companies at all seriously affected so far as their profits were concerned. The profit upon the individual ton they sold may have been less, but the increased tonnage enabled them to pay a larger dividend in 1930 than they did in 1928 or 1929, which were prosperous years, and they seemed to get along very well. But with the change, when the drawback was withdrawn, their profits and dividends fell, and they were no longer prosperous. The reason they were no longer prosperous, I shall be told, was that those were hard times. Quite true they were hard times, but they were hard times for the publishers in this country because they had to pay to the Howard Smith Paper Company and to the Provincial Paper Mills a price which was fixed by the tariff.

There was published a few days ago in the newspapers of this city an open letter from the MacLean Publishing Company in which they stated that their paper cost them $312,600 a year. Then they said: "We were required to pay $66,162 more for our paper than our United States competitors." If you figure that out you will find that it amounts to approximately 21 per cent. These two corporations by this legislation, by the duty which they then enjoyed, were enabled to charge users of paper between 21 and 22 per cent more than they could have charged had they been on a free trade basis. . . . .

Position of Farm Press

It is not only magazines, ordinarily so called, that are published in Canada. We have our farm press. The farm press has gone through very difficult times during the last few years. Farm purchasing power was gone. It has been a struggle to make a living. Not long ago two of the largest farm papers in western Canada amalgamated because they could not successfully maintain a separate existence. That amalgamation of these two separate papers was brought about by hard conditions induced by the high costs of raw material required in the manufacture of their products. The result of this amalgamation has been a big loss to the paper mills of Canada, a loss which they might have avoided under conditions of greater freedom. The farm press has been a powerful factor in maintaining the morale of the farmers of this country during a period of stress and strain. When you give relief as is being done here you are enabling the farm papers to exercise a tremendous national influence in the Dominion. I suggest therefore that further relief should be given. There is no evidence in all the statements I have before me that any of these companies were suffering under the old drawback of eighty per cent.

Suggests Thorough Study

I suggest that the whole matter of the publishers and producers of paper might go before the tariff board, during the coming year, for further consideration in the hope that a larger measure of freedom might be extended to the publishers of this Dominion, and that we might get back near the basis we were on in 1928 and 1929 as far as the publishing business and the production of this class of paper are concerned.

What do these people (the paper makers) need? They are producing a relatively small quantity. They have difficulty in competing because they do not produce a sufficient quantity. Give the publishers a chance to develop; expand the market, and when that is done you will have a basis on which such companies can live and prosper. They will prosper not on a basis of inflation and the increase of stock values and bonded indebtedness, but rather as a result of a wider market for the product they have to sell.

Sir George Perley: My hon. friend stresses the increase in capital of these companies, and I am with him in that regard. . . . . But I am thinking about the workmen; I am not considering the companies at all. They can look out for themselves. But the more paper we import into Canada, where we have the raw material, the less work there will be for our own people. That is the only thing in which I am interested.

Mr. Ross (Moose Jaw): I understand that, in the publishing business, for every dollar's worth of paper used there is five dollars spent in labor in other ways. Therefore the more paper we import at lower prices the more labor there will be used in the publishing business in Canada.

In the Mail

(Not over 200 words, please)

No Mystery Now

Editor, The Financial Post:

I have never seen a more clear and satisfactory treatise on the money question than is contained in this article you are running by Sir Norman Angell. It should not be termed "The Money Mystery," but rather, "The Money Question Freed of Its Mystery."

You are going to put this into a book, I trust. I shall look for your announcement and shall want it.

ROBERT J. CALDWELL.
New York.

Editor's Note.—Yes, the articles are likely to be reprinted in a pamphlet to be sold at a nominal price. This will be announced in due course.

Industrial Management

Editor, The Financial Post:

Re your editorial "The Efficiency of Industry."

Neither Mr. Deachman nor yourself have apparently thought to question the extent to which Canadian industry has availed itself of "gains from technical and mechanical improvement in the means of production."

It should never be forgotten that improvements in the technique of industrial management have had a more decisive effect in the lowering of production cost than have mere improvements in the mechanical arts. These improvements in managerial technique are characterized by their success in eliminating wastes of all kinds. It has been said for Ford that, when he was asked by his engineers to specify requirements for a new plant, he took a small slip of paper and wrote on it, "There should be the utmost utilization, and the minimum of waste of materials, labor, heat, and time." It is doubtful if such an idea of efficiency has been even closely approached in any Canadian manufacturing plant.

The limitations of our markets make mass production practically impossible in the great majority of Canadian industries. Our relatively small volume makes it impossible for us to adopt many of the new mechanical helps, because their saving—on small volume—is not great enough to offset their cost. Nevertheless the principles of effective managerial technique are as well adaptable to our small plant as they are to the Ford factory; their general adoption by Canadian industry would eliminate wastes and effect savings that would not only ease the profit situation, but would also make possible the reduction in selling prices, so devoutly desired by Mr. Deachman.

I suggest that too little has been said on this aspect of the industrial problem by the many who have recently commented on it in oracular fashion.

D. C. FERGUSON.
Toronto.

Other People's Views . . . .

An Even Break
Ottawa Journal

The Journal has never been enthusiastic for the proposition that we bar United States magazines or other periodicals from this country, or that we tax them on coming to this country. That, however, is a different thing from the proposition that we permit United States magazines in this country on terms less than fair to our own magazines. Which is what we have been doing.

The MacLean Publishing Company, in an advertisement they have been publishing, show that last year they paid $312,000 for book paper which their United States competitors in Canada purchased for $246.438. In other words, they were compelled to pay $66,162 more for their paper than United States magazines coming into Canada.

No one may hold reasonably that this is fair. Not to publishers who, in their publications, try to express the Canadian viewpoint, who employ Canadians, who spent in Canada last year $1,500,000.

In the circumstances, exemption of book paper and ink from the sales tax, provided in the budget, and aimed to remove discrimination against Canadian magazines, can hardly be criticized justly.

It is no more than we are doing, and have been doing for years, in the case of other industries.

Abyssinia and the League
House of Commons Debates
In the London Times

Mr. Eden, Secretary of State for Foreign Affairs, said that he understood that the total of the financial contributions paid to the League of Nations by Abyssinia since its admission to membership of the League was 653,596.31 gold francs.

A Labor Member.—Can they have their money back?

Stop Me If You've Heard This One . .

Family Doctor—"Your husband's not so well today, Mrs. Maloney. Is he sticking to the diet I prescribed?"

Mrs. Maloney—"He is not, sorr. He says he'll not be after starvin' himself to death just for the sake of livin' a few years longer."

Week in Business

Low-Priced Rail Fares Usher in Travel Season

Canadian and U. S. Lines Make Bid for More Travel Dollars — Automotive Sales Soaring — Employment Continues Firm

Though "Queen Mary" stole the front pages this week for travel news a more important business event was the inauguration of pre-war rates and conditions for train travellers on all Canadian lines and the cut in passenger fares on all U. S. Eastern lines from 3.6 to 2 cents per mile. Effective June 1, these changes represent a major bid for passenger business on the part of the rails though the U. S. cut was made arbitrarily by the Interstate Commerce Commission and under protest from the companies.

In Canada several things have happened. First every return ticket is now good for six months instead of the old 30-day limit. Secondly, all passengers in regular coaches (including commercial travellers, week-end trippers, etc.) now travel on a 3 cent basic rate compared with 3.45 cents heretofore. This is a saving of 13 per cent and applies to between 85 and 90 per cent of all passenger traffic. The cut does not apply, however, to anyone travelling in a Pullman or chair car for whom the old railway fare basis of 3.45 cents still applies.

However, Pullman users get their "cut" by removal of the 25 per cent surcharge on parlor and sleeping car reservations and by some further additional reductions in rates on special higher-priced accommodation, such as compartments, drawing-rooms, etc. Removal of this surcharge means an actual reduction of about 19 per cent on these charges. It brings a lower berth from Toronto to Montreal (for example) down from $3.40 to $2.75. An upper for the same trip is now $2.25 (was $2.75) and a single room $5.50 instead of $6.80.

Railways will still continue to woo traffic by special rates and excursions and hope to get an even larger share of travellers' dollars which seem bound for record figures this year.

* * * *

Automotive Sales Soar

A glance at new figures of the week shows automotive sales moving into new high ground. April figures show Canadians spent almost $21 millions in that month for new vehicles of which $17.6 millions went to passenger cars and the remainder for trucks and buses. The increase in each case from corresponding figures last year is 16 per cent. Average retail price of passenger cars sold increased from $993 to $1002 indicating a trend to higher-priced models since unit prices for most models were slightly lower (in April) than a year ago.

Employment in the industry May 1 stood at 154.1 (1926 equals 100) compared with but 78.6 three years ago at the same date.

* * * *

Employment Still Gaining

And employment generally in Canada at May 1 was at the highest point for that month since May, 1931, though the gain during the month was rather less than is customary at this time of year.

All economic areas showed improvement except Ontario which was unchanged. In key cities, Winnipeg alone showed a decline, the largest gain being in Montreal.

Most manufacturing industries showed good gains with the exception of tobacco, non-ferrous metal works and textile plants. Employment in both retail and wholesale trade showed substantial improvement and greatly exceeded the average for this date in the past 15 years.

* * * *

U. S. Business Continues Firm

Advices from United States continue to bear testimony to the striking improvement that continues in that country in business activity generally. The New York Times weekly index of production is currently 23 per cent higher than at this time last year; carloadings are up 17 per cent, while steel production is reaching into new high territory for this time of year.

The June monthly letter of The First National Bank of Boston feels "business is advancing on a broad front with practically all lines participating in the upturn. This brisk activity in the face of many handicaps is a tribute to the strong recuperative forces at work following a period of prolonged depression."

Changes of the Week

Favorable

Carloadings continue slightly ahead of corresponding figures for last year though after adjustment for the May 24 holiday (which occurred a week earlier in 1935) the revised index of loadings for the week of May 23 is actually below last year's total. Half the week's gain is due to higher loadings of merchandise in less-than-carload lots.

Unfavorable

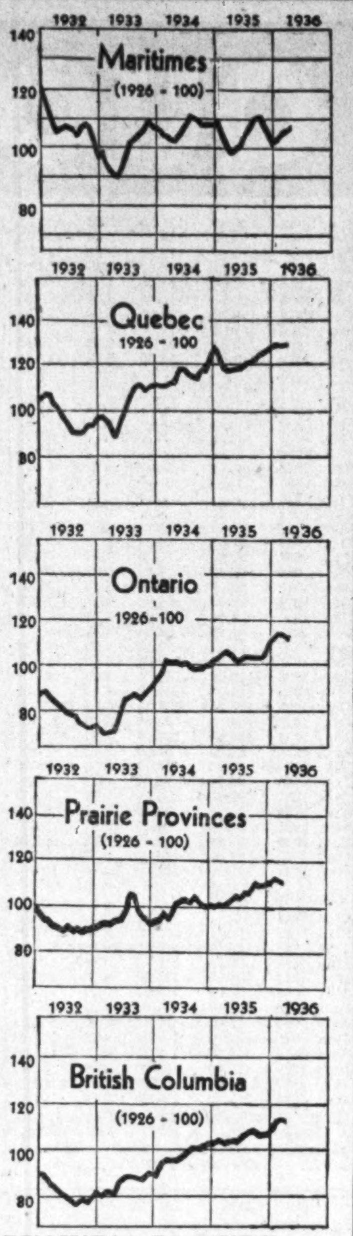
Construction Contracts—New contracts awarded in May were 50 per cent higher than in April but 8 per cent below corresponding figures for May, 1935. Chief reason was the presence of considerable government work in last year's figures.

Business Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA	Latest 1936	1935	Cumulative Total Jan. 1 to date 1936	1935
Transportation—				
Car loadings (May 23)	▲44,004	41,065	901,934	891,577
C.N.R. gross earn. (May 21)	$ ▲3,423,633	$ 3,149,422	$ 66,027,846	$ 61,848,892
C.P.R. gross earn. (May 21)	$ ▲2,592,000	$ 2,199,000	$ 47,704,000	$ 43,038,000
Business Conditions—				
Weekly index D.B.S. (May 23)	▲107.0	101.8	......	......
MONTHLY DATA	**1936**	**1935**	**1936**	**1935**
Business Conditions—				
Financial Post index (Apr.)	107.2	98.6	......	......
Transportation—				
C.P.R. net revenue (Apr.)	$ ▲1,337,457	$ 1,412,597	$ 4,165,161	$ 3,514,292
C.N.R. net revenue (Apr.)	$ ▲1,455,306	$ 1,526,995	$ 1,532,048	$ 2,008,694
Iron and Steel (April)—				
Pig iron production (tons)	54,045	43,388	225,141	169,790
Steel ingots and castings prod. (tons)	107,220	68,530	401,902	241,902
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (Apr.)	▲17,264	15,401	35,744	33,480
Factory output (Mar.)	14,488	18,179	36,602	40,333
Trucks and Buses:				
Domestic sales* (Apr.)	▲3,394	2,766	7,470	6,351
Factory output (Mar.)	3,533	3,796	7,898	10,363
Exports (Mar.)	4,817	7,929	15,042	20,384
Construction—				
Building permits (Apr.)	$ 3,183,336	$ 6,300,046	$ 8,740,707	$ 14,807,316
Contracts awarded (May)	$ ▲14,962,800	$ 16,302,400	$ 58,905,100	$ 57,073,100
Newsprint (tons)—				
Production (April)	258,721	222,224	952,145	810,170
Exports, tons (April)	192,893	158,923	818,417	696,453
Flour (bbls.)—				
Production (Mar.)	1,171,741	1,046,087	3,172,746	3,012,462
Wheat flour exports (Apr.)	281,162	276,907	1,412,348	1,430,163
Trade—				
Retail trade (index no. of sales) (Mar.)†	71.7	69.5	......	......
Imports (April)	$ 42,320,032	$ 36,636,702	$ 177,272,737	$ 159,100,957
Exports (April)	$ 57,963,193	$ 48,034,837	$ 260,147,193	$ 226,030,006
Wheat exports (bush.) (Apr.)	6,572,364	5,027,403	41,507,038	26,520,608
Employment, D.B.S. Index (May 1)—				
All industries	▲99.5	95.2	......	......
Manufacturing	▲102.7	95.6	......	......
Electric Power Output (April)—				
Total monthly (000's omitted)	2,163,717	1,881,029	8,327,769	7,640,773
Aver. daily	72,123	62,701	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports M. bd. ft. (April)	107,949	63,866	348,141	327,848
Boot & shoe prod., pr. (Mar.)	2,110,598	1,933,800	5,459,797	4,848,721
Crude petrol. imp. gal. (Apr.)	54,142,896	40,446,482	220,312,161	197,617,650
Cotton imports, lb. (Apr.)	7,122,912	8,835,554	52,343,912	37,338,554
Raw rubber imp., lb. (Apr.)	2,411,012	2,380,166	14,657,284	17,923,674
Coal imports, tons (Mar.)	506,260	526,791	1,489,780	1,500,200
Finance—				
Bank debits (April)	$ 2,773,756	$ 2,366,725	$ 11,132,084	$ 9,373,616
Bond sales (April)	$ 104,655,000	$ 76,570,000	$ 499,047,114	$ 137,909,974
Life insurance sales (Mar.)	$ 31,664,000	$ 31,416,000	$ 96,125,000	$ 93,120,000
Automobile Financing—				
Used cars (Mar.)	$ 1,721,596	$ 1,223,575	$ 3,603,413	$ 2,584,652
New cars (Mar.)	$ 2,177,433	$ 1,756,967	$ 4,220,067	$ 3,544,442

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
1000's omitted. †For 4 weeks to Apr. 18.



BUSINESS PICTURE

Conditions in the five economic areas of Canada are shown above.

Business Gains Confined To Eastern Provinces

Business gains were confined to the eastern areas during April, The Financial Post regional indexes showing advances in the Maritimes and Quebec. Minor recessions were shown in the three other areas.

The outstanding feature in April was the general gain in operations of the power industry. Marked increases in this line were shown in each of the economic areas except in the Prairie provinces where a slight gain was also shown. Bank debits were exceptionally heavy in the Prairie provinces and some moderate gains were shown in each of the other economic areas except Ontario.

Gains in employment after seasonal adjustment were limited to Quebec. Three industries in Ontario showed marked gains in April but other factors had a preponderant influence on the regional index.

THE TREND OF BUSINESS IN THE FIVE ECONOMIC AREAS FOLLOWS

		April, 1936	April, 1935	March, 1936	Inc. or Dec. April 1936-1935
Maritimes:					
Construction contracts	$	395,000	795,000	249,000	—50.3
Building permits	$	134,000	116,000	101,000	+15.5
Life insurance sales	$ 000	1,819	1,849	1,917	—1.6
Bank debits	$ 000,000	47.8	42.4	46.4	+12.7
Electric power	kw.h. 000	59,288	53,065	47,439	+11.7
Employment	1926 = 100	103.4	97.4	101.8	+6.2
Tonnage of vessels, cleared		526,974	539,979	729,079	—2.4
Imports	$	......	2,523,613	3,399,031	.....
Exports	$	......	12,961,964	28,301,312	.....
Index		108.8	99.2	106.9	+9.7
Quebec:					
Construction contracts	$	3,440,000	2,402,000	3,735,000	+43.6
Building permits	$	445,000	1,806,000	468,000	—75.4
Life insurance sales	$ 000	8,608	8,520	8,808	+1.0
Bank debits	$ 000,000	927	656	823	+41.3
Electric power	kw.h. 000	1,139,601	1,028,940	1,101,617	+10.8
Employment	1926 = 100	96.4	89.7	91.4	+7.5
Imports of raw cotton	lb.	7,122,912	8,835,554	13,558,113	—19.4
Newsprint production	tons	258,721	222,244	243,900	+16.4
Index		129.2	118.4	128.7	+9.1
Ontario:					
Construction contracts	$	4,492,000	5,079,000	4,384,000	—11.6
Building permits	$	1,330,000	3,518,000	1,151,000	—62.2
Life insurance sales	$ 000	13,542	12,646	14,251	+7.1
Bank debits	$ 000,000	1,134	1,043	1,152	+8.7
Electric power	kw.h. 000	663,684	533,740	667,679	+24.3
Employment	1926 = 100	103.4	101.7	103.4	+1.7
Livestock slaughterings	1926 = 100	136.2	125.5	132.6	+0.5
Steel production	tons	107,220	68,530	101,092	+56.5
Automobile production	No.	24,951	24,123	17,974	+3.4
Index		112.8	106.1	114.2	+6.3
Prairie Provinces:					
Construction contracts	$	785,000	2,473,000	1,464,000	—68.2
Building permits	$	778,000	583,000	145,000	+33.4
Life insurance sales	$ 000	3,674	3,312	4,125	+10.9
Bank debits	$ 000,000	497	486	413	+2.3
Electric power	kw.h. 000	136,632	118,689	149,202	+15.1
Employment	1926 = 100	92.7	87.9	90.5	+5.5
Wheat receipts	bush.	4,620,000	6,280,000	7,169,000	—26.4
Wheat prices	$ per bush.	.807	.876	.821	—8.1
Index		111.2	102.9	112.1	+8.1
British Columbia:					
Construction contracts	$	703,000	630,000	456,000	+11.6
Building permits	$	496,000	270,000	497,000	+83.7
Life insurance sales	$ 000	2,227	2,322	2,413	—4.1
Bank debits	$ 000,000	167.9	140.1	165.0	+19.8
Electric power	kw.h. 000	131,765	119,818	135,255	+10.0
Employment	1926 = 100	99.0	92.6	95.9	+6.9
Imports	$	......	2,641,974	6,194,094	.....
Exports	$	......	6,915,561	17,518,240	.....
Tonnage of vessels, cleared		1,036,560	864,579	888,074	+19.9
Index		113.2	103.9	114.3	+9.0

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$6.00	$6.25	$7.75
Hogs	8.75	8.65	10.25
Copper, lb.	.09½	.09½	.09
Cotton, lb.	.1177	.1169	.1130
Rubber, lb.	.1562	.1575	.1220
Sugar, raw, lb.	.0372	.0372	.0335
Silk, lb.	1.47	1.47	1.41
Wheat (Man.) bus.	.75¾	.75⅞	.81¼
Ciffee, lb.	.07⅛	.07⅛	.07⅛

Weekly Indices

N. Y. Annalist	120.6	120.0	124.7
Fishers'	81.2	80.5	82.3
N. Y. Journal of Comm.	79.6	78.6	79.8
Crumps (Brit.)	67.7	68.2	65.2
U. S. Labor	79.6	79.1	79.9
Canada (D.B.S.)	71.9	71.9	72.5

Monthly Indices

	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Apr.)	79.8	80.5	78.6
W'sale (Apr.)	72.2	72.4	72.5
U. S. Labor (Feb.)	80.6	80.6	79.5
Gt. Brit. (Feb.)	76.7	77.2	71.8

Note: The base of indices is that 1926 equals 100. British index is Economist converted to 1929 base.

Base of price quotations is as follows. cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar —96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft.-W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Quebec Cheese Production

An increase of 3.5 per cent is shown in the production of cheese in Quebec during the first quarter of 1936. Output totalled 356,000 pounds, against 344,000 pounds in the first quarter of 1935.

FAMOUS PLAYERS CANADIAN
CORPORATION LIMITED
4½%
First Mortgage and Collateral Trust Bonds
Series "A"
To be dated June 1, 1936 To mature June 1, 1951
Price: 98.50 and interest
to yield about 4.63%
For last five years, interest charges covered, after depreciation and all prior charges, 3.07 times on average.
Telephone or telegraph your orders charges collect
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Catelli Food Products Plan Put Into Effect

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been taken out by Catelli Macaroni Products Corp. changing the name of the firm to Catelli Food Products Ltd.

This confirms the scheme of arrangement which was adopted by the shareholders a short time ago, under which the arrears of dividends on the preferred stock were eliminated.

G. S. HOLMESTED
Licensed Trustee in Bankruptcy
Liquidator, Receiver, Etc.
McKINNON BUILDING - TORONTO, ONT.

CANADIAN
FUND

Prospectus and annual report of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.
CALVIN BULLOCK, LTD.

Background of Business

Wages are Increased In B.C. Logging Camps

Fir Operators Make Third Boost in Two Years — Hardware Sales Soar — Edmonton Bread Prices Fixed

Reports from the logging industry which is British Columbia's largest single payroll, indicate a further rise in wages for the third time in the last two years. Leading fir operators are reported to have advanced wage scales of thousands of workers in the woods about 10 per cent.

Cedar and hemlock camps have not shared materially in the increased business experienced in the fir trade, however. Faced by abnormally low prices and diminishing demands, these camps may have to close in many cases unless conditions improve.

Overseas lumber shipments were up 14 per cent in the first quarter, or 206 million ft. These figures are exclusive of shipments to the Atlantic coast and California. There is some doubt yet as to whether British Columbia has shipped its full quota to the U. S. as provided by the new trade agreement.

* * *

Hardware Sales Soar

Reports from hardware retailers indicate May business in hardware lines has been larger this year than for the last five or six years, says Hardware and Metal, Toronto. Sales increases ranged from 15 to almost 40 per cent over corresponding figures last year. Some dealers attribute this to the long spell of cool weather during March and April which retarded development of early spring trade.

Volume of paint business is said to be particularly heavy, while garden tools are selling in considerable volume. Wholesale stocks in some cases are low.

Further revision in prices due to increased sales tax is also reported. Rope manufacturers have issued new prices including the sales tax, where formerly prices were quoted with sales tax extra in eastern Canada. Prices have also been raised to include the additional two per cent on kitchenware, alarm clocks, watches, some major electrical appliances, gasoline lamps and lanterns, eavestroughs, etc. Farm fence, roofing and hose manufacturers are in the meantime absorbing the extra tax.

* * *

Coke Tariff Debated

Last week's meeting of Canadian Retail Coal Assoc. at Toronto caused wide controversy on a motion calling for federal tariff protection on Canadian coke, either by direct tariff legislation or by rebates on the duty on foreign coal going into the manufacture of domestic coke.

A resolution favoring such a tariff was proposed by James Lyons of Sault Ste. Marie and supported by T. P. Pinkhart, general manager, Hamilton By-Products Co. Opposition came from Ontario coal dealers whose source of supply is American coke ovens at Detroit, and who claim that half a million dollars alone would have been saved to Ontario consumers last year if the tariff on coke had been taken off.

* * *

Sweater Exports

Manufacturers of knitted suits for women report a decided increase in the export of three-piece suits and twin sweaters, says Canadian Trade Abroad.

During the 12 months ending February, 1936, knitted wear to the value of $280,000 left Canada for overseas markets, as compared with only $184,665 the corresponding period of time in 1935.

* * *

Bread Prices Up

Edmonton said goodbye to bargain bread last month when, through code legislation, the minimum price for bread was set at 7 cents a loaf or 3 loaves for 20 cents. This bars out the popular 5-cent loaf and is the result of an agreement made between Master Bakers and employees under the Provincial Industrial Standards Act. Minimum salaries of journeymen bakers advanced thereby from $12.50 to $20 a week.

The actual legislation was supposed to be effective April 10 covering a radius of 50 miles from Edmonton, but was not actually put into effect until May 18.

* * *

Jam Board Threatened

An attempt has been made by some of the packers of jams, jellies and marmalades to have the Jam Marketing Board dissolved, says Canadian Grocer.

It is necessary to secure the signatures of not only one-third in volume produced, but one-third in numbers as well. There are more than 90 firms in the business in Canada, and it is stated that so far the attempt to secure upwards of 30 firms' signatures has been unsuccessful.

* * *

Discounts Crop Scare

The trade can discount reported frost losses to canning and other crops in Ontario by a considerable amount, says Canadian Grocer. There has been a good deal of damage done, says this paper, the extent of which will not be definitely known until the packing season comes around.

One crop particularly mentioned is tomatoes, and Canadian Grocer points out that some canners at least think that if there are not sufficient surplus stocks of plants to take care of those bit by frost, it may be a good thing for the tomato situation. Canners are said to have been selling at what is considered an exceedingly low price—around 75 cents per dozen, with one report as low as 70 cents.

"Last year saw a considerably reduced pack, and if there is a further reduction on account of frost damage this year, tomatoes may continue in a firm position. Stocks are strong in view of the fact that a big percentage of the goods on hand today are in the hands of one firm."

DOING
SOMETHING
ABOUT
BUSINESS

Paraphrasing Mark Twain's lament that everybody talks about the weather but nobody does anything about it—

Goodyear has done something about business.

That something was to develop something that people wanted—a spectacular new tire—the now-famous "G-3".

Goodyear dealers' cash registers are ringing with the results! Despite the competitive pressure of so-called "bargain" tires at lower prices—this standard-priced Goodyear is today—and by long odds — the largest-selling tire in the world!

Life Insurance
Aids Employment

EVERY DOLLAR you set aside in Life Insurance performs a double duty. It protects yourself and family, and at the same time helps to create and increase employment in Canada.

The savings of yourself and 3,500,000 other Canadians, totalling more than Two Billion Dollars, which your Life Insurance companies have invested in the Dominion, have helped and are helping to develop Canada.

Life Insurance dollars have built and are building city, town and farm homes. They have erected and are erecting schools and hospitals. They have developed and are developing public utilities and industrial enterprises.

Governments all across Canada have called upon and are calling upon Life Insurance funds for public purposes. These funds have extended and are extending transportation facilities by road, rail and water. They have built and are building water, sewage and other municipal undertakings. They have extended and are extending public utilities and public services under federal and provincial administrations.

In thus stimulating private and public business all across the Dominion, Life Insurance dollars have created and are increasing work for thousands upon thousands of Canadians. As Life Insurance dollars create more jobs and fill more pay envelopes, the strain upon relief funds is lessened and the country's economic position is improved.

L-44

Life Insurance
Guardian of Canadian Homes

Investments and Reinvestments

Savings deposits are accumulating disproportionately to the volume of new financing. Many security issues carrying attractive interest rates are being refunded. Investment or reinvestment for income purposes, under these conditions, is more than usually difficult.

Our nearest office will be glad to submit, upon request, suggestions to meet individual investment requirements.

244 St. James Street
Montreal
Harbour 3121

330 Bay Street
Toronto
Adelaide 7105

Royal Securities Corporation
Limited
Offices throughout Canada; also in New York and London
15

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

This table is confined to official prices for listed stocks. Where no recent transaction has taken place on stock exchanges, the latest available bid and asked quotations are given to indicate the current level of prices. For unlisted stocks, for which transactions are not officially recorded, bid and asked quotations by unlisted dealers are published under "Unlisted Stocks" on this page.

WEEK ENDING JUNE 1

Range 1936 High	Low	Div R'te $	May30 Y'ld %		Sales	Last May 25	Week end. June 1 H	L	Cl'se
				A					
2.50	1.25	.	...	Abitibi	1682	1.55	1.65	1.45	1.60
13	6⅞	.	...	Do. pref. 6%	695	8	8	7½	7½
12	6⅞	.	...	Do. cert. dep.	....	(7½ bid 8 asked)			
4⅛	4⅛	.	...	Acadia Sugar	....	(.04 bid — asked)			
15	15	.	...	Acme Glove, n.	10	15	15	15	15
95	95	.	...	Do. pref.	....	(— bid 95 asked)			
10	8	40c	5	Agnew Surp.	....	(— bid 8 asked)			
107	102½	7	6.8	Do. pref.	....	(— bd 105 asked)			
6	3	.	...	Alta. Pac. Gr.	135	4½	4½	3	4
39	25	.	...	Do. pref.	65	27	29	27	29
3	2	.	...	Amal. Electric	....	(3 bid 4 asked)			
23	14	.	...	Do. pref.	....	(15 bid 20 asked)			
40½	29⅞	15c	...	Amer. Cyn. B.	15	34	34⅞	34	34
54½	51⅞	3.50	6.5	Ang. C. Tel. p.	....	(52⅞ bid 54½ asked)			
30	17½	.	...	Asbestos v. t.	825	23	28½	28	28
15	9⅞	60c	6	Assoc. Brew.	370	10	10½	10	10
110	104	7	6.6	Do. pref.	....	(— bid — asked)			
35	34	.	...	Assoc. T. & T. p	....	(— bid 43 asked)			
106	105½	7	6.6	At'an. Sugar, p	10	105½	105½	105½	105½
				B					
58	51½	2.25	3.9	Bank of Canada	228	58	58	57	57½
140	133	8	5.7	Bk. Can. Nat.	20	136	139	137	137
214	182½	8	4.1	Bk. Montreal	181	195	195	190	192½
300	271	12	4.2	Bk. N. Scotia	95	287	283	283	283
235	225	10	4.3	Bk. Toronto	10	230½	230	230	230
13½	11	75c	...	Barcelona	....	(8½ bid 11½ asked)			
17⅞	10½	.	...	Bathurst Pr.	1375	14½	14½	13⅞	14
5⅞	3	.	...	Do. (B)	145	3½	3⅞	3½	3⅞
4	1½	.	...	Bawlf Grain	250	1½	2	2	2
38	24	.	...	Do. pref.	....	(— bid 30 asked)			
3	2½	.	...	Beath & Sons	....	(2½ bid — asked)			
15	9½	.	...	Beatty Bros. A.	25	10	10	9½	9½
105	96	6	6	Do. pref.	11	101	100½	100	100½
3⅞	2	.	...	Beauharnois	807	2½	2½	2	2
110	105	4	3.6	Belding Cort.	....	(100 bid 110 asked)			
135	130	7	5.2	Do. pref.	....	(125½ bid — asked)			
150	140	6	4.1	Bell Telephone	940	142½	146	141⅞	145
36	30	1.25	...	Biltmore Hats	....	(34½ bid 36 asked)			
110	110	7	6.4	Do. pref.	....	(106½ bid — asked)			
5	3½	.	...	Bissell, T. E.	....	(4 bid 4⅞ asked)			
50	33	.	...	Do. pref.	....	(42 bid 50 asked)			
5	3½	.	...	Blue Ribbon	5	4	4	4	4
31½	27	2	6.4	Do. pref.	257	30½	31½	30⅞	31½
31⅞	30	2	6.7	Brant. Cord., pf.	1285	30½	30½	30½	30½
15½	9⅞	30c	...	Brazilian Tr.	10898	12⅞	12⅞	12½	12½
1.15	.80	.	...	Brew. & Distil.	1815	.90	.95	.90	.95
4½	2½	.	...	Brewing Corp.	1210	2½	2⅞	2⅞	2⅞
18½	13½	1.50	8.9	Do. pref.	495	16	16½	16½	16⅞
9	7½	30c	...	Bright, T. G.	....	(6 bid 7½ asked)			
82	80	6	7.5	Do. pref.	....	(82 bid — asked)			
27⅞	16½	80c	3.4	Brit. Amer. Oil	4510	23	23½	23	23½
13	8½	.	...	B. C. Packers	319	9½	9⅞	9	9⅞
32⅞	28½	1.60	5.3	B. C. Power (A)	1362	29	30	29	29⅞
5⅞	3½	.	...	Do. (B)	30	4	4	3⅞	3⅞
16	11½	1.20+10c	11.5	Br. S. Mills	946	11½	11½	10⅞	10⅞
37½	33	1+25c	3.6	Building Prod.	70	34	34½	34	34
47⅞	37½	2	4.6	Burt, F. N.	20	42	43	42	43
				C					
86½	78	6	7.5	Calgary Pr., pf.	....	(— bid 75 asked)			
6	4½	.	...	Canada Bread	128	5	5	4⅞	5
97	90	1.25+50c	...	Do. pref. A	55	94	97	95	97
44	30	.	...	Do. pref. (B)	212	30	34	32	34
9½	6	.	...	Canada Bud	1895	9½	9½	9	9½
8	6	.	...	Canada Cement	1114	7	6⅞	6½	6⅞
75	58	.	...	Do. pref.	1166	66	70½	66½	70½
70	57	1.50+1	4.2	Can. & D. Sug	10	58½	60	60	60
16½	10⅞	.	...	Canada Dry	2705	12⅞	12⅞	12½	12⅞
5	3	.	...	Can. Forg. (A)	....	(3 bid 6 asked)			
3	3	.	...	Do. (B)	....	(2 bid — asked)			
50	40	.	...	Canada Iron	1	41	50	50	50
60	60	3	5	Do. pref.	....	(58 bid — asked)			
35	30½	1.50+50c	6.3	Can. Malting	680	31⅞	31⅞	31½	31½
25½	22½	1.20	5	Can. Nor. Pr.	365	24½	24½	23	24
111	107½	7	6.4	Do. pref.	75	110½	110	110	110
93	80	3	3.6	Can. Packers	95	80	83	81	83
118	105	.	...	Can. Paper, pf.	....	(— bid 111 asked)			
3	2	.	...	Can. Paving, pf.	....	(1½ bid 4 asked)			
160	137½	8	5.4	Can. Perman.	25	150	150	148	149
3½	1	.	...	Can. Steamsh's.	135	1½	1½	1	1
15½	6	.	...	Do. pref.	465	7½	7⅞	7½	7⅞
27½	19½	1.20	5.8	Can. Vinegars	205	20	20½	20	20½
27	20½	.	...	Can. W. Cable	45	25	26½	26½	26½
12½	9	.	...	Do. (B)	25	9½	10	9½	10
102⅞	98½	.	...	Do. pref.	10	99½	102⅞	102⅞	102⅞
4	2	.	...	Can. Bakeries	....	(2 bid 3½ asked)			
57	42	.	...	Do. pref.	70	42	43	43	43
170	148	8	5.2	Can. Bk. Com.	147	154	154	152½	153
41	31	1	2.6	Can. Bronze	10	38	38	38	38
116	101½	7	6.7	Do. pref.	15	104½	105	105	105
5½	3	.	...	Can. Canners	65	4½	4½	4	4½
100	88⅞	6	6.1	Do. 1st pfd.	89	99½	100	99	99
8½	5	.	...	Do. 2nd pfd.	265	5⅞	5⅞	5½	5⅞
8	5½	.	...	Can. Car & Fd'y	1217	6	6½	5⅞	6
17½	13	.	...	Do. pref.	1978	13½	15½	13½	15
31⅞	25½	40c	...	Can. Celanese	750	26	27½	26½	27½
118	112	7	6	Do. pref.	150	116	116½	114	116
21	18	.	...	Do. Rights	50	19½	19½	19½	19½
30	22½	2	7.2	Can. Convert.	10	28	28	28	28
50	44	4	8	Can. Cottons	5	49	50	50	50
105	97	6	6	Do. pref.	19	99½	100	100	100
49½	37	2+1	6.7	Can. Dredge	370	44	45	44½	44⅞
100	98⅞	6	6.1	Can. Fairb. pf.	....	(95½ bid — asked)			
34	23½	1.60	5.4	Can. For. Inv.	100	30	29½	29½	29½
107	105	8	7.5	Do. pref.	....	(107 bid — asked)			
175	150	5	3.2	Can. Gen. Elec.	5	155	153	153	153
8½	7½	40c	5	Can. G. Inv.	400	7⅞	8½	8	8½
48	26	.	...	Can. Hyd. El. p.	229	30⅞	33	31	33
12½	7½	.	...	Can. Ind. Alc.	8026	8½	8	7⅞	8
11½	6⅞	.	...	Do. (B)	770	6⅞	6⅞	6½	6⅞
225	221	4	1.7	Can. Indust. B.	10	225	221	221	221
4	1	.	...	Can. Int. In. Tr.	....	(1 bid — asked)			
65	35	.	...	Do. pref.	....	(55 bid 60 asked)			
23	20	1	4.4	Can. Lt. & Pr.	....	(20 bid 24 asked)			
4	2½	.	...	Can. Locomo.	....	(2½ bid 3 asked)			
2⅞	1	.	...	Can. Marconi	507	1½	1½	1½	1⅞
18	12	50c	3.8	Canadian Oil	20	13	13	12	12
130	123	8	6.2	Do. pref.	....	(126 bid — asked)			
15⅞	10⅞	.	...	Can. Pacific	10495	12½	12½	12½	12½
.15	.15	.	...	C. Pr. & Pa. I.	....	(.20 bid — asked)			
7	4½	.	...	Do. pref.	....	(5 bid — asked)			
3½	1⅞	.	...	Can. Vickers	25	2½	2	2	2
25	12	.	...	Do. pref.	....	(— bid 18 asked)			
3⅞	2	.	...	Can. Wineries	150	2⅞	2½	2⅞	2⅞
25½	21	25c▲	...	Can. Wire Box	475	24	25½	24	25½
100½	100	5	...	Carnation, pf.	25	100½	100	100	100
15	15	38c	...	Catelli Food, pf.	70	15	15	14	14
165	165	8	4.8	Cent. C. Loan	....	(160 bid 195 asked)			
1.60	.85	.	...	Chem. Research	2925	.90	1.00	.94	.97
3.60	1.75	.	...	City Gas & El.	....	(1.50 bid 1.80 asked)			
.60	.25	.	...	Claude Neon	20	.40	.25	.25	.25
14½	12½	92c	7	Coast Brew.	53	13	13	13	13
5½	4	.	...	Do. pref.	450	4½	5	4½	4½
9½	6½	.	...	Cockshutt Plow	1126	7	6⅞	6½	6⅞
1.35	.65	.	...	Comm. Alcohol	75	.80	.95	.75	.75
18½	15⅞	80+10c	...	Cons. Bakeries	357	16½	16½	16	16½
3	2	.	...	Cons. Paper	3101	2⅞	2½	2	2
9	5	.	...	Cons. Press	....	(5 bid 6 asked)			
35	33	.	...	Cons. Sand, pf.	....	(32 bid — asked)			
57⅞	51	.	...	Cons. Smelters	3575	56½	57	56	56½
205½	189	10	5	Consumers' Gas	225	200	200	199	200
90	78	7†	8.5	Corr. P. Box, pf.	....	(81 bid 82 asked)			
27	17½	80c	4.2	Cosmos Imp.	118	19½	20	19	20
103	102	5	4.8	Do. pref.	39	103	103	102½	103
17	15	80c	5.2	Crown Cork	....	(15 bid 15½ asked)			
3	2	.	...	Crown Dom. Oil	10	2	2	2	2
48	30	3	...	Crow's N. Coal	35	47	48	47	48
				D					
4	2	.	...	David & Fre. A.	....	(— bid 3 asked)			
1	1	.	...	Do. (B)	....	(— bid 1 asked)			
7	2	.	...	De Havilland	....	(3 bid 4 asked)			
68	40	.	...	Do. (A)	....	(— bid 61½ asked)			
3	2	.	...	Disher Steel	....	(— bid 3½ asked)			
11½	7½	.	...	Do. pref.	....	(8 bid 10 asked)			
34½	18½	.	...	Distill-Seagram	3185	24½	24	22⅞	22½
222½	190	10	4.9	Dom. Bank	10	205	205	203	205
40½	33	1.20	3.2	Dom. Bridge	973	36½	37	36	36½
17½	14	1.50	9.6	Dom. Coal, pf.	680	16½	16½	15½	15½
36	26½	.	...	Dom. Engineer	35	35½	35½	35½	35½
41	32	.	...	Dom. Foundries	....	(32 bid 40 asked)			
115	106	5	4.5	Dom. Glass	18	111½	112	110	112
145½	135	7	4.8	Do. pref.	....	(140 bid 150 asked)			
40	30	.	...	Dom. Oilcloth	....	(— bid 34½ asked)			
100	95	7	7.4	Do. pref.	....	(90 bid — asked)			
8	3	.	...	Dom. St. & C B	2110	4½	4½	4½	4½
8	6	.	...	Dom. Stores	430	6½	6½	6½	6½
7½	4½	.	...	Dom. Tar & Ch.	315	5½	5½	5½	5½
71	57	.	...	Do. pref.	50	73	74½	72	74
76	65	5	7.2	Dom. Textile	230	70	70	69	69½
146½	144	7	4.8	Do. pref.	8	146	146½	146½	146½
9½	4½	.	...	Donnacona P. A	237	5½	5½	5	5
7½	3½	.	...	Do. (B)	55	4½	5	5	5
7	4½	.	...	Dryden Paper	155	4½	4½	4½	4½
				E					
2½	1	.	...	East Koot. pr.	....	(2½ bid — asked)			
1	5	.	...	Do. pref.	12	6	6	6	6
4	1	.	...	East. Dairies	20	1½	2	2	2
16½	11	.	...	Do. pref.	....	11	12	12	12
13½	10	.	...	East. Steel	50	11½	11½	11	11
100	80	7	8.7	Do. pref.	....	(97 bid 101 asked)			
85	80	7	8.7	East. Theat., pf.	....	(76 bid 78 asked)			
4½	3	.	...	Easy Washing	60	3½	3½	3½	3½
24	20	62½c	...	Economic Inv.	....	(22½ bid 25 asked)			
28½	19½	1.60+10c	...	Electrolux	193	23	23½	22	22½
3	1½	.	...	Enam. & Heat.	....	(1½ bid 2½ asked)			
24	10½	.	...	Eng. Electric	55	20	20½	20	20½
12½	6	.	...	Do. (B)	8	8	8	8	8
9	4	.	...	European El. A.	....	(2 bid 7 asked)			
.35	.35	.	...	Do. Warrants	....	(.35 bid — asked)			
				F					
21½	18	.	...	Fam. Players	50	20	18	18	18
20	14	.	...	Do. Vot. Tr.	10	14	18	18	18
17½	13½	50c	3.6	Fanny Farmer	912	13⅞	14	13½	13⅞
28½	20½	.	...	Ford Motors A.	3912	22½	22½	21½	22½
3.00	1.00	.	...	For. Pr. Secs.	50	1.25	1.00	1.00	1.00
16½	13	.	...	Foundation Co.	173	15	15	15	15
19½	8	.	...	Fraser Cos.	141	12	13½	11	13½
19	6	.	...	Do. Vot. Tr.	965	11½	13½	11½	12½
.60	.25	.	...	Do. Rights	19244	.35	.65	.30	.50
8	3	.	10	Frelman, pf.	....	(— bid 3 asked)			
8	4½	.	...	Frost Steel	....	(4 bid 5 asked)			
100	93½	3.50	...	Do. pref.	5	93	93	93	93
				G					
5¼	3½	.	...	Gen. St. Wares	170	3½	3½	3½	3½
56	48	.	...	Do. pref.	10	50	51	51	51
71	64½	2.50	3.8	Goodyear Tire	505	66	69½	68½	69½
58½	55½	2.50	...	Do. pref.	213	56	58	55½	58
[illegible]	[illegible]	.	...	Gt. W. Saddlery	100	2	2	2	2
[illegible]	[illegible]	.	...	Do. pref.	20	22	22	22	22
100	100	7	7	Do. pref.	....	(93½ bd 100 asked)			
8½	5½	.	...	Gypsum, Lime	960	6	6	5⅞	5⅞
				H					
6⅞	4	.	...	Ham. Bridge	45	4	4½	4	4½
37	25½	.	...	Do. pref.	40	34	34	33⅞	34
29½	25½	2	7	Ham. Cot., pf.	....	(28½ bid 29½ asked)			
1.00	.75	.	...	Ham. U. Theat.	....	(1.05 bid 2.00 asked)			
53	40	4	...	Do. pref.	....	(52½ bid 58 asked)			
4	2⅞	.	...	Harding Carpet	485	3½	3½	3⅞	3½
9	1½	.	...	Hillcrest Coll.	....	(2 bid 10 asked)			
16	7	.	...	Do. pref.	....	(7 bid 15 asked)			
15½	12	50c	...	Hinde & Dauch	350	12⅞	13½	12½	13
7	7	.	...	Holt Renfrew	....	(4 bid — asked)			
40	30	.	...	Do. pref.	10	40	35	35	35
.70	.40	.	...	Honey Dew	....	(.50 bid .65 asked)			
12	7	.	...	Do. pref.	....	(10 bid — asked)			
14⅞	9½	.	...	H. Smith Pap.	517	9½	10½	9⅞	10½
118	88	2½	...	Do. pref.	100	90	91	90	91
35	29½	2	6.7	Humberstone S.	55	29½	30	30	30
6	4½	.	...	Hunts (A)	32	4⅞	4½	4½	4½
6	6	.	...	Do. (B)	....	(6 bid 10 asked)			
90	75	5	6.5	Huron & E. Mt.	33	79	77	75	77
12⅞	10⅞	.	...	Do. 20% pd.	65	12	11	10⅞	10⅞
10½	6½	.	...	Hydro Electric	....	(7½ bid 7⅞ asked)			
				I					
221	198	10	4.8	Imperial Bank	10	207½	208	206	208
24½	20½	50+75c	5.8	Imperial Oil	16687	22½	22	21	21½
14½	13½	52½c	3.7	Imperial Tob.	5661	13⅞	14	13⅞	13⅞
7⅞	7	6%	...	Do. pref.	130	7½	7½	7½	7½
30	19	1	...	Inter City Bak.	....	(25½ bid 31 asked)			
45	40	5+2	...	Inter'c Coal	1	43	43	43	43
115	115	8	6.9	Do. pref.	....	115	..	..	..
b5½	2⅞	.	...	Int. Hyd. E. A.	2600	3	3½	3	3
7½	4	.	...	Int. Metal Ind.	185	5⅞	6	5⅞	6
42	30	.	...	Do. pref.	160	37	42	39	39½
105⅞	101	5	4.8	Inter. Mill., pf.	10	102	103	103	103
54	43½	1.20	2.5	Inter. Nickel	10791	47	47⅞	46½	46⅞
6	2½	.	...	Inter. Paints	5	3	3½	3½	3½
29½	19	1.12½▲	...	Do. pref.	....	(— bid 23 asked)			
b7⅞	3⅞	.	...	Int. Pa. & P. A.	2500	4½	5½	4½	5½
b4	2½	.	...	Do. (B)	2500	2⅞	2⅞	2⅞	2⅞
b3½	1⅞	.	...	Do. (C)	2100	1⅞	2½	1⅞	2
b36⅞	20½	.	...	Do. pref.	19800	24½	30⅞	24½	29⅞
39⅞	33⅞	1.50+1	6.8	Inter. Pete.	12198	37½	37⅞	36½	36⅞
6	3½	.	...	Inter. Power	30	4	4	4	4
88½	57	6	7.2	Do. pref.	40	83	83	83	83
15½	15½	.	...	Int. St. Rly. A.	....	(13½ bid 14 asked)			
14½	3⅞	.	...	Int. Util. (A)	110	10	10	10	10
2.25	.40	.	...	Do. (B)	300	.95	1.05	.95	1.00
				J					
35½	33	1.50	4.3	Jam. Pub. Ser.	....	(35½ bid — asked)			
127	123½	7	5.5	Do. pref.	....	(125 bid — asked)			
				K					
9	6½	.	...	Kelvinator	35	6½	6⅞	6⅞	6⅞
107	106	7	6.6	Do. pref.	5	106½	106	106	106
				L					
22	16½	.	...	Lake of Woods	2896	19½	22	19½	20
138	123	1.75	...	Do. pref.	148	135	137	134	136
58	54	5	9.2	Landed Bank	3	55	54	54	54
3	3	.	...	Langley's	....	(1½ bid 4 asked)			
50	35	.	...	Do. pref.	57	35	35	35	35
69	64⅞	3	4.5	Laura Secord	160	66½	67	66½	67
4	2	.	...	Lindsay, C. W.	....	(2⅞ bid 3⅞ asked)			
41⅞	40	.	...	Do. pref.	....	(45 bid 55 asked)			
20½	18⅞	1	4.9	Loblaw (A)	2159	20	20½	20	20⅞
18½	17½	1	5.5	Do. (B)	1708	17⅞	18½	17⅞	18½
				M					
*3½	3½	.	...	MacKin. Steel	....	(2½ bid — asked)			
4	3	.	...	Manitoba Pr.	....	(4 bid — asked)			
.50	.50	.	...	M. L. Gardens	....	(.50 bid 1.50 asked)			
5½	2	.	...	Do. pref.	....	(3½ bid 4 asked)			
2.25	1.00	.	...	Maple Leaf	60	1.15	1.15	1.15	1.15
*12½	12	60c	...	Maritime Tel.	....	(13½ bid — asked)			
*15	14½	70c	...	Do. pref.	....	(14½ bid — asked)			
18	18	.	...	Marcus Loew's	....	(14½ bid 18 asked)			
115	111	7	6.1	Do. pref.	....	(— bid 119 asked)			
7½	4½	.	...	Massey-Harris	890	5½	5½	5½	5½
40	29½	.	...	Do. pref.	537	33	34½	33	34½
17⅞	12½	80c	5.3	McColl Fron.	2012	15½	15½	14⅞	15
105	96½	6	5.9	Do. pref.	312	103	103½	102	102
13⅞	9½	50c▲	...	Melchers (A)	45	9⅞	9½	9⅞	9½
5	3	.	...	Do. (B)	....	(— bid 3½ asked)			
13½	9	.	...	Mercury Mills, p	....	(10 bid 12 asked)			
36	30	1	...	Mitchell, J. S.	....	(36 bid — asked)			
110	110	7	6.4	Do. pref.	....	(110 bid — asked)			
8	5½	.	...	Mitchell, Robt.	....	(6 bid 7 asked)			
5	3	.	...	Monarch Knit	....	(4½ bid — asked)			
95	85	7	7.9	Do. pref.	10	86	88	88	88
35	26	.	...	Montreal Cot.	10	35	30	30	30
100	85	7	7.4	Do. pref.	10	95	95	95	95
5	4	.	...	Mont. Is. Pr.	....	(2 bid 4 asked)			
34	30	1.50	4.8	Mont. L. & Pr.	7256	30½	31⅞	30	31
26	26	2	7.7	Montreal Loan	....	(26 bid 26 asked)			
9	9	.	...	Mtl. Ref. & S.P.	....	(2 bid — asked)			
2	2	.	...	Do. Vot. Tr.	....	(9 bid — asked)			
60	55½	3.20	5.7	Montreal Tele.	44	56	56	56	56
103	85	9	9.7	Montreal Trams	6	92½	93	93	93
39	27½	1	2.8	Moore Corp.	1417	35	36½	35½	36
165	146	7	4.6	Do. pref. (A)	15	153	156	153	156
220	175	7	3.3	Do. pref. (B)	5	215	210	210	210
1.00	.25	.	...	Muirheads	100	.40	.40	.40	.40
3½	3	.	...	Do. pref.	....	(3½ bid — asked)			
				N					
44	37	2	4.6	Nat. Breweries	2305	42½	43	42½	43
43	39⅞	1.75	4.2	Do. pref.	63	42½	42	42	42
7½	5	.	...	Nat. Grocers	570	5½	5½	5	5
135	130	7	5.4	Do. pref.	30	130	130	130	130
20	16⅞	.	...	N. Sew. Pipe A.	80	17½	16⅞	16½	16⅞
17½	13½	.	...	Nat. Steel Car.	580	13	14	13	14
205	196	8	3.9	National Tr.	....	(205 bid 210 asked)			
57½	34	75c	...	Niag. W. Weav.	38	57½	55	53	55
60	56	3	5.2	Do. pref.	....	(57½ bid 59 asked)			
1.75	.90	.	...	North Star Oil	505	1.55	1.55	1.55	1.55
4.00	3.15	81c▲	...	Do. pref.	....	(3.60 bid 3.75 asked)			
75	61	3	4.0	N. S. L. & Pr.	20	61	75	75	75
102½	100⅞	6	5.9	Do. pref.	....	(101½ bid — asked)			
				O					
240	199½	8	3.6	Ogilvie Flour	31	235	220	210	220
160	152	7	...	Do. pref.	....	(158½ bid — asked)			
10	7	.	...	Ont. Eq. 10% pd.	65	7½	7½	7	7½
112½	109	6	5.3	Ontario Loan	....	(112 bid — asked)			
12	8	.	...	Ont. Silknit	75	9	9	9	9
90	80	7	8.5	Do. pref.	25	84	82	80	82
8	6	.	...	Ont. Steel	....	(5½ bid 6 asked)			
85	74	.	...	Do. pref.	....	(— bid 95 asked)			
.40	.25	.	...	Orange Crush	....	(.30 bid .35 asked)			
16⅞	6	.	...	Do. 1st pref.	....	(17½ bid — asked)			
.75	.40	.	...	Do. 2nd pref.	....	(.70 bid 1.35 asked)			
95	88	6	6.5	Ott. L. H. & Pr.	24	93	93	92	92
110	101½	6.50	6	Do. pref.	....	(107 bid 109 asked)			
21	15	2	11.8	Ott. Traction	....	(— bid 17 asked)			
				P					
95	78½	3	3.3	Page Hersey	380	88½	90	88	90
6⅞	3	.	...	Pantepec Oil	5565	5½	6½	5⅞	6
25	25	.	...	Paton Mfg.	....	(— bid 27 asked)			
100	100	7	7	Do. pref.	....	(100 bid — asked)			
57	48	3	5.9	Penmans	138	51	51	51	51
125	118	6	4.9	Do. pref.	....	(122 bid — asked)			
27	22	1	4.5	Photo Eng.	40	22½	22½	22	22½
97	85	7	7.7	Porto Rico Pr p	....	(85 bid 86½ asked)			
18½	11⅞	.	...	Power Corp.	601	14½	14	13½	14
101	97½	6	6.1	Do. pref.	31	98	99	98½	98½
3	1	.	...	Prairie C. Oil	25	1½	1½	1½	1½
29½	19	37½c	...	Pressed Metals	180	28	29	28½	28½
6½	2⅞	.	...	Price Bros.	925	3½	3	3	3
40	22	.	...	Do. pref.	200	27½	25	23½	25
				Q					
18	14	1	6.2	Quebec Power	137	16	17	16	16
				R					
*58	40	2	...	Real Estate L'n	....	(— bid 48 asked)			
6½	4½	.	...	Regent Knit.	210	4½	4½	4½	4½
15	12	.	...	Do. pref.	270	15	15	15	15
10	6	.	...	Reliance Grain	5	7	6	6	6
21½	21½	.	...	Remington Rand	....	(19 bid 20½ asked)			
31	29	2+25c▲	6.4	River. S. Mills	55	30½	31	30	30
6½	4	.	...	Rogers Majest.	460	4½	4½	4½	4½
104	85½	6	...	Rolland P., pf.	4	100	100	99½	100
182	164	8	4.7	Royal Bank	151	170	170	168	170
7½	4	.	...	Russell Motor	....	(— bid 5 asked)			
115	100	7+1▲	6.4	Do. pref.	40	110	109	109	109
				S					
11	7	.	...	Sarnia Br. (A)	180	9½	8	8	8
3	1⅞	.	...	Do. (B)	50	2	2	2	2
23⅞	19½	60c	2.9	Shawinigan	2624	20½	20½	20	20
18	14½	.	...	Sher. Wms.	115	16	16	16	16
127½	115	7+1.75▲	...	Do. pref.	20	118	115	115	115
11	8	.	...	Simon & Son	....	(10 bid 10½ asked)			
93	85	7▲	...	Do. pref.	50	90	92	92	92
80	73	4	5.4	Simpson, Ltd.	13	74	76	75	76
12	10½	.	...	Do. (A)	....	(— bid 11½ asked)			
5	3	.	...	Do. (B)	....	(3 bid 5 asked)			
117½	111	6	5.1	Simpson, R., pf.	....	(112 bid 115 asked)			
14	12	80c	6.7	So. Can. Pr.	606	12	12½	12	12
100	98	6	6	Do. pref.	40	100	100	99	100
2.75	1.50	.	...	St. Law. Corp.	1495	1.70	1.70	1.50	1.65
14	8	.	...	Do. (A)	1030	9½	10⅞	9½	10½
50	40	2	4.3	St. Law. Flour	....	(47 bid 50 asked)			
125	120	7	5.6	Do. pref.	....	(125 bid — asked)			
32	20	.	...	St. Law. Pa. p.	934	27⅞	30	28½	29
20	6½	.	...	Stand. Chem.	5	8½	9	8½	8
10	7	.	...	Stand. Clay	....	(2 bid 9 asked)			
3.75	1.15	.	...	St. Pav. & Mat.	110	2.75	2.50	2.25	2.25
22	14	.	...	Do. pref.	10	18	18	18	18
37	28	.	...	Stand. Steel	....	(32 bid — asked)			
67½	57	1.75‡	2.8	Steel of Can.	995	62½	62⅞	61⅞	62⅞
60½	49½	1.75	3.1	Do. pref.	949	56½	56½	56	56⅞
5	3	.	...	Sterling Coal	20	3½	4	4	4
2.50	.50	.	...	Stop & Shop	10	.75	.75	.75	.75
4½	2½	.	...	Supersilk H.	....	(2½ bid 3½ asked)			
72	69	3.50	...	Do. pref.	....	(66 bid 70 asked)			
38	30	1	2.8	Sup. Pete. ord.	70	36	35⅞	35	35
35	32	1	3	Do. com.	5	33	35	35	35
				T					
40	32½	.	...	Tamblyn	....	(37 bid 40 asked)			
114	110	7	6.2	Do. pref.	10	112	112	112	112
3	2½	.	...	Thayers	....	(2 bid 2½ asked)			
37	30	3.50	11.7	Do. pref.	60	31	30	30	30
3	1½	.	...	Thrift Stores	....	(— bid 2 asked)			
12	7½	.	...	Do. pref.	....	(— bid 8 asked)			
8½	7½	.	...	Tip Top Tailors	225	8½	10	8½	10
106	102	7	6.7	Do. pref.	65	105	105	105	105
2	1	.	...	Tooke Bros.	....	(1 bid 3 asked)			
22	10½	.	...	Do. pref.	10	21	18	18	18
40	34	1	2.8	Tor. Elevators	....	(34 bid 36 asked)			
113½	109	7	6.2	Do. pref.	15	110	113½	112½	113½
95	84	4	4.7	Tor. Gen. Tr.	34	84	85	84½	85
120	115	6	...	Toronto Mtge.	....	(120 bid — asked)			
158	150	7	4.6	Tuckett Tob., p	....	(150 bid 155 asked)			
12½	8	.	...	Twin City	74	9	10	10	10
				U					
12½	9	10c	...	Union Gas	1012	10½	10½	10	10½
12½	10	.	...	Un. Amuse. A.	....	(18 bid — asked)			
.95	.50	.	...	United Distil.	....	(.50 bid .70 asked)			
25	20	.	...	United Fuel, pf.	155	21	27½	21	25½
25	20	2	9.1	United Secs.	20	21	22	21	22
4½	2	.	...	United Steel	1160	2½	2½	2½	2½
				V					
3½	2	.	...	Viau Biscuit	31	2½	2½	2½	2½
38	18	.	...	Do. pref.	15	35	35	35	35
				W					
[illegible]	20	.	...	Wabasso Cot.	145	20	23	20	23
34½	28½	2	6.9	Walker-Good.	859	29½	29	28½	28½
19	17½	1	5.5	Do. pref.	1979	18½	18½	18	18½
[illegible]	[illegible]	.	...	Walkerville Br.	875	[illegible]			
[illegible]	[illegible]	.	...	Waterloo Mfg.	....	[illegible]			
10	4½	.	...	West. C. Flour	100	5	5½	5½	5½
65	36	.	...	Do. pref.	85	40	47	42	47
51	46½	2	4	West. Grocers	47	50	51	50	51
110½	107	7	6.5	Do. pref.	12	108	108	108	108
17⅞	13½	80c	5.5	Weston Ltd.	2005	14	15	14	14½
102	98	5	5.1	Do. pref.	80	99	99	98	99
1.15	1.15	.	...	Windsor Hotel	....	(1.15 bid — asked)			
4½	4	.	...	Do. pref.	....	(4 bid 8 asked)			
4½	2⅞	.	...	Winnipeg Elec.	117	2⅞	2⅞	2⅞	2⅞
3⅞	2⅞	.	...	Do. new A.	40	3⅞	2⅞	2⅞	2⅞
18	10	.	...	Do. pref.	....	(11 bid — asked)			
53	38	.	...	Wood, A. & J. p	....	(— bid 50 asked)			
67½	50	.		Woods Mfg., pf.	....	(50 bid 53 asked)			
				Z					
3	2⅞	.	...	Zimmerknit, c.	48	2⅞	2⅞	2⅞	2⅞
69	60	3.50▲	..	Do. pref.	....	(65 bid 85 asked)			

* Quotations for 1935. No sales recorded in 1936 to date.
† Plus $33.25 on arrears. Comprising one funding right for each preferred share.
▲ On account of arrears.
b New York quotations.
‡ Plus one-eighth share of preferred stock, plus one share of common stock, all payable in settlement of arrears.
‡ Plus extra of $1.42½ paid Feb. 1, 1936.

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)

June 3, 1936

Dominion of Canada Bonds

			Bid June 3	Asked June 3	Approx. Yield	Bid May 27
Dominion	2	15 Oct. 1936	100.25	100.70	...	100.20
Dominion	5	15 Nov. 1936	102.00	102.45	...	101.50
†‡Dominion	5	1 Mar. 1937	103.35	103.80	...	103.35
‡Dominion	5½	1 Dec. 1937	106.65	107.15	.69	107.25
Dominion	2½	15 Oct. 1939	102.50	103.00	1.59	103.00
Dominion	4	15 Oct. 1939	107.65	108.15	1.51	107.85
Dominion	2	15 Nov. 1939	101.25	101.75	1.48	101.50
Dominion	4½	1 Sept. 1940	109.75	110.25	1.96	110.00
Dominion	5	15 Nov. 1941	113.25	113.75	2.30	113.25
Dominion	3	15 Oct. 1942	104.75	105.25	2.12	104.75
Dominion	2½	1 June 1943	102.25	102.75	2.07	102.35
Dominion	5	15 Oct. 1943	114.25	114.75	2.78	114.25
Dominion	4½	15 Oct. 1944	112.65	113.15	2.74	112.50
▪Dominion	2½	15 Aug. '43-45	98.75	99.25	2.59	98.75
Dominion	4	15 Oct. '43-45	108.50	109.00	2.65▲	108.50
Dominion	4½	1 Feb. 1946	112.65	113.15	2.93	112.50
Dominion	3½	15 Oct. '44-49	104.00	104.50	2.89▲	103.90
Dominion	4	15 Oct. '47-52	107.50	108.00	3.16▲	107.50
Dominion	3	1 June '50-55	98.50	99.00	3.07	98.75
Dominion	4½	1 Nov. '46-56	110.15	110.65	3.29▲	109.75
Dominion	4½	1 Nov. '47-57	110.15	110.65	3.38▲	109.75
Dominion	4½	1 Nov. '48-58	110.35	110.85	3.42▲	110.10
Dominion	4½	1 Nov. '49-59	110.50	111.00	3.47▲	110.20
▪Dominion	3¼	15 Jan. '56-61	110.25	100.75	3.20▲	100.65

Dominion Guaranteed Bonds

			Bid	Asked	Yield	Bid May 27
*G. T. P. Ry.	3	1 Jan. 1962	99.00	100.00	3.00	99.50
Can. N. Ry.	3	1 May 1944	102.75	103.75	2.47	103.00
Can. N. Ry.	3	15 Dec. '45-50	98.50	99.25	3.06	98.50
Can. N. Ry.	3	15 Feb. '48-53	97.75	98.50	3.11	97.75
*Can. N. Ry.	4½	1 Sept. 1951	114.25	115.00	3.26	113.75
*Can. N. Ry.	4½	1 Feb. 1956	114.75	115.50	3.42	114.00
†Can. N. Ry.	4½	1 July 1957	112.25	113.00	3.62	111.50
*Can. N. Ry.	4¾	15 June 1955	117.00	117.75	3.49	116.75
Can. N. Ry.	5	1 Feb. 1954	116.50	117.50	3.66	116.25
*Can. N. Ry.	5	1 July 1969	117.25	118.00	3.02▲	116.75
*Can. N. Ry.	5	1 Oct. 1969	119.25	120.00	3.43▲	118.75
*M. Harb. C.	5	1 Nov. 1969	119.50	120.50	3.39▲	119.00

Provincial Government Bonds

			Bid	Asked	Yield	Bid May 27
Eastern—						
N. Bruns.	4	1 Sept. 1954	104.50	105.50	3.59	104.75
†N. Bruns.	4½	15 Apr. 1961	109.50	110.50	3.84	109.50
†N. Bruns.	5	15 Jan. 1960	115.00	116.00	3.96	115.00
N. Scotia	3	2 Sept. 1945	99.50	100.50	2.94	99.50
N. Scotia	4½	15 May 1943	108.00	109.00	3.06	108.00
†N. Scotia	4½	15 Sept. '47-52	109.50	110.50	3.39▲	109.50
†N. Scotia	5	1 Mar. 1960	116.00	117.00	3.90	116.00
*Ontario	4	1 June 1962	105.25	106.25	3.62	105.25
*Ontario	4½	1 Sept. 1944	110.50	111.50	2.95	110.50
Ontario	4½	1 June 1950	109.75	110.75	3.53	109.50
*Ontario	4½	15 Jan. 1962	110.50	111.50	3.80	110.00
Ontario	5	15 Oct. 1948	112.50	113.50	3.65	112.25
*Ontario	5	2 Dec. 1960	117.50	119.00	3.81	117.50
Ontario	5½	1 July 1946	115.00	116.00	3.65	114.50
O. H. C.	3½-4-5	1 Oct. '33-52	102.00	103.00	4.21●	102.00
Ont. Hyd. C.	4¾	1 Jan. 1970	112.75	114.00	3.99	112.00
P. E. I.	3	1 Oct. 1945	99.50	100.50	2.94	99.50
Quebec	4	15 Mar. 1952	107.25	108.25	3.33	107.25
Quebec	4¼	1 Aug. 1958	110.00	111.00	3.53	110.00
Quebec	4½	2 Jan. 1963	112.00	113.00	3.73	112.00
Western—						
Alberta	4	15 Dec. '49-54	....	....	...	73.00
†Alberta	4	1 Dec. 1957	....	....	...	75.00
Alberta	4½	1 Oct. 1951	....	....	...	81.00
†Alberta	4½	1 Oct. 1956	....	....	...	78.00
†Alberta	5	1 Jan. 1948	....	....	...	81.00
Alberta	5	1 Sept. 1955	....	....	...	78.00
*Alberta	5	1 Oct. 1959	....	....	...	80.50
†Alberta	5½	1 Jan. 1947	....	....	...	82.00
Alberta	6	1 Mar. 1947	....	....	...	82.00
†Brit. Col.	4	1 Dec. 1957	87.00	90.00	4.75	90.00
*Brit. Col.	4½	15 Jan. 1951	93.00	95.00	4.97	94.50
†Brit. Col.	4½	1 Oct. 1953	92.00	94.00	5.02	93.50
†Brit. Col.	5	15 Jan. 1948	95.00	97.00	5.34	97.00
Brit. Col.	5	1 Sept. 1953	92.00	94.00	5.54	95.00
Brit. Col.	5½	1 Feb. 1945	94.00	95.00	6.25	96.50
Brit. Col.	6	15 Feb. 1947	94.50	96.00	6.51	97.00
Manitoba	4	2 Jan. 1950	97.50	99.00	4.09	98.00
†Manitoba	4	1 Dec. 1957	98.00	100.00	4.00	98.50
†Manitoba	4½	15 Dec. 1956	100.50	101.50	4.39	101.50
†Manitoba	5	15 June 1954	105.00	107.00	4.44	105.50
*Manitoba	5	2 Dec. 1959	107.00	108.50	4.42	106.00
Manitoba	5½	1 Oct. 1955	104.00	105.00	5.09	105.00
Manitoba	6	1 Apr. 1947	104.00	106.00	5.27	106.25
Sask.	4	15 Aug. 1953	85.50	87.00	5.13	87.00
Sask.	4	1 Nov. '55-60	83.00	85.00	5.06	86.50
*Sask.	4½	2 July 1945	94.00	95.50	5.11	96.00
†Sask.	4½	1 Oct. 1951	92.00	93.50	5.11	93.50
†Sask.	4½	15 Mar. 1960	90.00	92.00	5.08	92.00
Sask.	5	1 Aug. 1958	94.00	96.00	5.31	96.00
†Sask.	5½	15 Nov. 1946	97.00	99.00	5.62	99.00
Sask.	5½	1 Oct. 1952	97.00	99.00	5.59	99.00
Sask.	6	15 Mar. 1952	98.00	100.00	6.00	101.00

Municipal Bonds

			Bid	Asked	Yield	Bid May 27
†Calgary	5½	2 June 1944	....	80.00	9.07	80.00
†Edmonton	5½	1 Nov. 1945	....	82.00	8.29	83.00
†Halifax	5	1 July 1961	113.00	115.00	4.05	114.50
Hamilton	5	1 May 1950	108.75	110.75	3.98	110.75
Montreal	5	1 Mar. 1945	104.00	105.00	4.30	104.50
Ottawa	4½	1 July 1945	108.00	110.00	3.21	110.00
†Quebec	5	1 June 1959	106.00	107.00	4.51	107.50
Regina	5	1 July 1944	75.00	85.00	7.49	85.00
St. John	5	15 Dec. 1950	107.00	108.50	4.21	110.00
†Toronto	4½	1 Jan. 1955	110.50	112.50	3.59	111.00
Vancouver	5	1 June 1969	79.00	85.00	6.05	85.00
Victoria	5	21 July 1945	86.00	90.00	6.46	90.00
Winnipeg	5	1 Mar. 1944	104.00	106.00	3.97	106.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity although callable prior to that date. ‡Exempt from Dominion income tax. ▪Payable in N.Y.

Corporation Bonds

(Supplied by Toronto Bond Traders' Association)

June 2, 1936

Public Utility Issues:	Int. Rate %	Due	Bid June 2	Asked June 2	Bid May 26
‡Avalon 'Phone	5½	'48	101	...	101
Beauharnois	5	'73	25	28	81
Do. L. H. & P.	5½	'73	81	84	26
*Bell T'phone	5	'55	114½	117½	114½
*Do.	5	'57	119½	122½	119
†B. C. Power	5	'60	103	106	103
†Do.	5½	'60	105½	108½	105
B. C. T'phone	5	'60	106	109	105½
†Calgary Power	5	'60	97	100	96
Do.	5	'64	92½	95½	93
†Can. Nor. Pr.	5	'53	103½	106	103½
Dom. Gas & El.	6½	'45	90	93	89
*Gatineau Pr.	5	'56	96	99	97½
*Do., A	6	'41	91	94	90½
*Do., B.	6	'41	90	93	89½
*Int'l. Hydro	6	'44	40	43	40
Int'l. Pwr.	6	'57	95	98	95
Do.	6½	'57	98	101	98
†Maclaren-Que.	5½	'61	78	81	80
Maclaren-Que.	5½	'64	76	79	79
†Mtl. Island Pr.	5½	'57	104	107	103½
†Montl. Tram.	5	'41	101½	104½	101½
†Do.	5	'55	83½	86½	84
Nat'l. L. & P.	6	'49	96½	99½	96
†N.S. L. & P.	5	'58	105½	108½	105½
†Ottawa Light	5	'57	106½	109½	106½
†Ottawa Val. Pr.	5½	'70	74	78	77½
†Power Corp	4½	'59	94½	97½	94½
*Quebec Pwr.	5	'68	105	108	104
†Shawinigan	4½	'70	103	105½	103
South. Can. Pr.	5	'55	105½	108½	105½
†United Secs.	5½	'52	83½	86½	82½
*Winnipeg Elec.	6	'54	81	84	81½
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	43½	46½	43½
†Acadia Sugar	4½	'55	101	104	100
†Alta. P. Grain	6	'46	98	101	98
†Asbestos Corp.	5	'42	104	..	102½
B. A. Oil	4	'45	104	106	104
Can. Biscuit	6½	'46	25	28	25
Can. Bread	6½	'41	108½	111½	108½
†Can. Cement	5½	'47	105½	108½	105½
†Can. Paper	6	'45	102½	..	102½
‡Can. Ss. Lines	5	'43	102½	..	102½
Do.	6	'41	55½	58½	58
†Can. Canners	6	'56	105	106	105
*Can. Int. Pap.	6	'49	85	88	84½
C. P. R.	3½	'51	94½	97½	94½
Do.	4	'49	103½	106	103½
Do.	4½	'44	100	103	100
Can. Rail & H.	6½	'51	62	65	61
†Can. Vickers	6	'47	88	91	87½
Cons. Paper	5½	'61	34½	37½	34½
†Dom. Canners	6	'40	113½	115½	113½
†Dom. Tar	6	'49	104½	107½	104½
†Donnacona P.	5½	'48	71	74	71
†East. Dairies	6	'49	84½	87½	84½
†Fam. Players	6	'48	105½	106½	105½
†Do.	6½	'48	106	107	105½
†Federal Grain	6	'49	100	103	99½
Fraser Cos.●	6	'50	110½	113	109½
†G. Steel Wares	6	'52	100½	103½	100
Gt. Lakes Pwr.	6	'50	49	52	51
†Gypsum, Lime	5½	'48	96	99	95½
Ham. Cottons	5½	'48	102½	105½	102
Ham. B. P. C.	5	'50	97½	100½	..
*Hinde & Dauch	5½	'48	102½	105½	102½
Int'l. P. & P. N.	5	'68	103	106	..
Inter City Bak.	5½	'46	103	106	103
Kingston Elev.	6	'50	96	99	..
Lake St. John P. & Pa.	6½	'47	96½	99½	95½
Do.	6	'42	53	56	..
†Lon. Can. Inv.	4½	'48	89	92	89
†Massey Harris	5	'47	88½	91½	89
Industrial and Realty Issues:					
McColl-Front.	6	'49	104½	107	104½
†Mercury Mills	5½	'53	60	65	63
Mersey Paper	6	'49	..	..	..
M. & O. Paper	6	'45	30	33	31½
Nat. Grocers	4	'36-47	100½	..	..
Nor. Ont. Bldg.	6½	'39	96	100	96
Ontario Bldg.	6½	'43	30	35	30
Price Bros. bds.	6	'43	124½	126½	124½
*Prov. Paper	5½	'47	102	105	101½
Queen's Hotel	6	'47	94	98	94
*Reliance Grain	6	'48	103	106	103½
Restigouche	6	'48	98	101	98½
Rich. B. Bldg.	6½	'47	99	102	98
‡Riordon Pulp	6	'42	104½	..	104½
Ritchie Cut Stone	6½	'48	95	..	95
†Rolland Paper	5½	'48	104½	107½	104½
Ruddy & Co.	6½	'48	98½	101½	98½
†Simpsons Ltd.	6	'49	104½	107	104½
†Smith, Howard	5½	'53	105	108	104½
‡Steel of Can.	6	'40	113	..	112½
Twin City Rapid Tr'sit	5½	'52	81	84	..
United Amuse.	5	'46	98½	101½	..
United Corp.	5	'53	93	96	94
United Grain	5	'43	98	101	98
Do.	5½	'49	102	105	102
Zimmerknit	6	'51	99	102	99½

‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. *Payable in Can. or U. S.
●Unstamped.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

June 2, 1936

	Bid	Asked
INDUSTRIAL STOCKS:		
Acadia Sugar, com.	4.25	4.45
Do., pfd.	4.70	5.00
Acme Farmers Dairy, pfd.	38.00	40.00
Algoma Steel, new pfd.	59.00	62.50
Andian National	48.00	50.00
Assoc. Tel. & Tel., pfd.	40.00	45.00
B. C. Pulp & Paper, com.	.40	1.00
Do., pfd.	7.00	8.50
Burns & Co., A	9.25	10.00
Do., B	5.10	5.90
Canada Paper, pfd.	108.00	115.00
Canada Starch, pfd.	92.50	96.00
Canada Tea, pfd.	34.00	....
Can. Tube, 1st pfd.	45.00	....
Can. Wire & Cable, pfd.	102.00	....
Can. Industries, B com.	215.00	220.00
Do., pfd.	156.00	167.00
Can. Ingersoll Rand	....	117.00
Can. Power & Pap. Inv., pfd.	5.00	8.00
Can. Westinghouse	59.00	61.00
Chase, A. W., pfd. bonus	25.00	26.50
Conduits Nat., new com.	2.75	3.25
Dom. Found. & Steel, com. (New)	35.00	40.00
Do., pfd. (New)	89.00	93.50
Dom. Rubber, pfd.	98.00	101.00
Dunlop Tire, pfd.	65.00	....
Eastern Dairies, pfd.	11.50	13.50
Edm. City Dairy, pfd.	60.00	....
Federal Grain, com.	2.00	3.00
Do., pfd.	50.00	54.00
Goderich Elevator	9.50	10.50
Greening Wire, pfd.	103.50	106.50
Guelph Carpet, pfd.	104.00	108.00
Do., com.	15.75	18.00
Highland Dairy, com.	2.50	3.00
Do., pfd.	73.00	79.00
Inter City Baking, com.	24.00	28.00
McLaren Power, com.	10.50	12.50
New Method Laund., pfd. bonus	73.00	80.00
Ont. Tobacco Plant., pfd.	29.00	35.00
Prov. Paper, pfd.	96.50	100.00
Reliance Grain, com.	5.00	7.00
Do., pfd.	84.00	88.00
Rob. Consol. Cone	8.75	9.25
Ruddy, E. L., pfd.	37.00	43.00
Silverwood Dairies, pfd.	42.00	44.50
Std. Fuel, pfd. bonus	105.00	107.50
Supert. Petroleum, B pfd.	26.00	29.00
Toronto Carpet, pfd.	32.00	....
Toronto Housing	....	12.00
United Steel, A pfd.	6.00	6.50
West. Grain, pfd. bonus	....	18.00
Willards Chocolates, pfd.	14.00	....
TRUST & LOAN STOCKS:		
Chartered Trust	80.50	83.50
Guelph Ont. Inv. Savings	46.50	51.00
London & Western Trust	54.00	57.00
Sterling Trust	36.00	....
Traders Fin., B pfd. bonus	80.00	85.00
Trusts & Guarantee	41.00	43.00
INSURANCE STOCKS:		
British America	43.00	46.00
Canada Life	525.00	545.00
Canadian Fire	75.00	80.00
Canadian Ins. Shares	12.00	15.00
Confed. Life 20% pd.	116.00	121.00
Continental Life 20% pd.	35.00	40.00
Crown Life	110.00%	....
Dominion Fire	112.00	120.00
Dominion Life 50% pd.	260.00	300.00
Dom. of Can. Gen.	116.00	123.00
Empire Life 25 %pd.	7.00	9.00
Excelsior Life 30% pd.	69.00	73.00
Federal Fire 25% pd.	38.00	....
Fidelity Ins. of Can.	45.00	50.00
Great West Life	387.00	397.00
Guar. of N. A. fully pd.	240.00	....
Halifax Fire	21.00	22.50
Imperial Life	325.00	....
Manufacturers Life	261.00	267.00
Monarch Life 10% pd.	20.00	21.50
National Life 25% pd.	48.00	53.00
Sovereign Life 25% pd.	15.00	18.00
Sun Life	400.00	430.00
Toronto General	4.50	5.00
Western Assurance, com.	44.00	47.00
Do., pfd.	40.00	45.00
THEATRE STOCKS:		
Allens Beach, pfd.	58.00	62.50
Do., Calgary, com.	5.25	6.75
Do., Kingston, pfd.	54.00	....
Do., Parkdale, pfd.	50.00	55.00
Do., Toronto, pfd. bon. c.	27.00	32.00
Eastern Theatres, ocm.	4.00	5.25
Do., pfd.	75.00	80.00
Loew's London, pfd.	2.50	3.50
Do., Toronto, pfd.	111.00	115.00
Mansfield Theatre, pfd.	30.00	....
Paramount Kitchener, pfd.	42.50	....
Do., Oshawa, pfd.	86.00	93.00
United Amusement, A	....	20.00
Do., B	15.00	17.00
INVESTMENT TRUST SHARES:		
Can. Gen. Invest.	7.80	8.05
Can. Investors Corp.	6.50	7.75
Can. Int. Inv. Trust Units	56.00	....
Cons. Div. Std. Sec. Units	13.00	15.00
Debenture & Sec., pfd.	51.00	....
Dom. Scott. Inv. Units	32.00	36.00
For. Power Sec., pfd.	13.00	15.50
Invest. Found. Units	49.00	52.00
Sec. Holding Corp. Units	21.50	25.00
United Corpns., A	22.00	23.00
Do., B	8.00	9.00
POWER ISSUES:		
Calgary Power, pfd.	75.00	78.00
Can. Light & Power, com.	21.00	25.00
Can. Pub. Service, pfd.	22.00	26.00
Can. West. Nat. Gas, pfd.	94.00	97.00
Do., com.	20.00	24.00
Great Lawes Pwr., pfd.	88.00	92.50
Nor. Ont. Power, pfd.	99.00	102.00
Nova Scotia L. & P., pfd.	98.50	102.00
Inter. Util., pfd.	78.00	....

Mining Stock Quotations

WEEK ENDING JUNE 1, 1936

Par. Val.	Range 1936 High	Low	Company	Sales	Close May 23 (or last)	High for week	Low for week	Close June 1
	.12	.04	Afton (Ex. dis.)	122,400	.08	.09	.07½	.08
No	.21	.07	Aldermac	230,700	.20½	.21	.17½	.17½
1	.04½	.01½	Alexandria	122,500	.02½	.03½	.02½	.03½
No	.12½	.03½	Algoma	113,200	.09	.10½	.08½	.10½
No	5.50	4.10	Anglo-Huronian	580	5.25	5.35	4.80	4.80
1	1.60	1.15	Argosy	6,700	1.54	1.55	1.48	1.50
No	.12	.02	Arno	5,600	.08	.08	.07½	.07½
1	.97	.65	Arntfield	2,550	.80	.80	.80	.80
1	.25	.06½	Ashley	57,042	.08	.15	.08	.15
1	.06½	.02½	Astoria Rouyn	58,600	.04½	.05½	.04½	.05½
1	.11½	.05½	Bagamac	106,800	.09½	.09½	.08	.09½
1	.10	.03½	Barry Hollinger	450,344	.06½	.10	.06	.09½
1	.40	.18	Base Metals	11,900	.18½	.20	.18	.18½
1	.50	.28	B.E.A.R.	15,900	.42	.44	.40	.43
No	1.84	1.25	Beattie Gold	19,470	1.30	1.35	1.25	1.25
1	.47	.30	Beaufor Gold	26,600	.45	.45	.38½	.40
1	.76	.50	Big Missouri	63,450	.63	.64	.59	.61
1	.24	.13	Bobjo	79,350	.18½	.20	.17	.18
No	8.10	5.55	Bralorne	5,806	7.50	8.10	7.40	8.10
1	.40	.15	Brazil Gold	2,000	.17	.17	.17	.17
1	.13	.02	Brett Trethewey	64,100	.11	.10½	.09	.09
50c	.25½	.09	B.R.X. Gold	7,400	.15½	.16	.14	.15
1	.05	.01	Brownlee	166,900	.03½	.03½	.03	.03½
1	8.00	3.80	Buffalo Ankerite	25,592	7.75	7.75	7.00	7.60
No	.13	.02	Buffalo Can.	70,350	.11	.11	.08	.09
5	37.00	31.00	Bulolo Gold	850	33.00	33.50	33.00	33.50
No	.18	.06	Bunker Hill	21,020	.12	.13½	.11	.12
No	1.45	.95½	Can. Marlartic	27,850	1.18	1.28	1.12	1.20
1	1.60	1.15	Cariboo Gold	2,850	1.48	1.48	1.44	1.45
1	.15	.02	Cartier Malartic	566,450	.08½	.15	.08½	.12
1	1.69	1.24	Castle Trethewey	25,410	1.45	1.55	1.37	1.45
1	.32	.11½	Cen. Manitoba	50,050	.28	.29	.24	.25
1	3.55	2.41	Cen. Patricia	26,960	3.33	3.45	3.25	3.42
No	.09½	.03½	Church M. & Mill	69,600	.09	.09	.07½	.07½
No	.14	.03	Clericy	129,975	.09	.09½	.08	.08½
5	4.50	2.25	Coast Copper	125	2.25	2.25	2.25	2.25
1	.03½	.01½	Cobalt Contact	25,500	.02½	.02½	.02	.02½
5	3.50	2.80	Coniagas	300	3.50	3.50	3.30	3.50
No	2.75	1.80	Coniaurum	6,545	2.25	2.31	2.15	2.30
1	2.30	1.10	Con. Chibougamau	101,188	1.87	2.16	1.80	1.99
25	57.75	51.00	Cons. Smelters	3,575	56.50	57.00	56.00	56.50
No	61.00	41.75	Dome Mines	6,590	58.00	61.00	55.75	60.00
1	.07	.04½	Dom. Explorers	2,000	.05	.06½	.05½	.06½
1	.10½	.05½	Duparquet	34,375	.06½	.06½	.05½	.06½
1	1.38	.95	Eldorado	8,800	1.00	1.00	.95	.95
No	9.50	6.90	Falconbridge	2,860	8.00	8.15	7.80	8.00
1	.10	.03	Federal	59,500	.07	.07½	.06½	.06½
No	.44	.19	Francoeur Gold	24,150	.26½	.28	.22	.23
1	.11	.04½	Franklin Gold	84,600	.05½	.05½	.05	.05½
No	1.45	.75	God's Lake	786,755	1.03	1.06	.91	.95
1	.45	.14½	Goldale	84,550	.36	.37	.30	.33
50c	.56	.30	Gold Belt	1,800	.46	.50	.45	.50
1	.26½	.06	Goodfish	56,185	.17½	.26	.17	.24½
1	.20	.03	Graham Bosquet	164,825	.19	.20	.13	.14
1	.31	.17	Granada Gold	34,559	.22	.23	.19½	.21
No	.13½	.05½	Grandora	6,700	.11	.12	.10	.12
1	.73	.21	Greene Stabell	97,800	.68	.69	.58	.60
1	.09	.04	Grozelle	75,900	.06	.09	.04½	.07½
1	.12	.08	Grull Wihksne		(.08½ bid .12 asked)			
1	1.20	.75	Gunnar Gold	39,651	1.05	1.15	1.03	1.12
1	.08½	.02	Halcrow Swayze	135,800	.04	.08½	.04½	.08
1	3.20	.30	Hard Rock	510,390	2.70	2.68	1.89	2.26
1	.18½	.07	Harker	110,670	.17	.17½	.15	.16
5	17.25	13.50	Hollinger	22,707	15.37	16.75	15.12	16.12
1	.93	.55	Howey Gold	190,375	.80	.89½	.75	.88
No	28.25	22.87	Hudson Bay	16,996	27.50	27.00	25.25	26.00
1	14.25	11.00	Inter Mining		(11.00 bid ... asked)			
1	4.50	4.10	Do., Pur. Warr.		(2.75 bid ... asked)			
No	54.00	43.50	Int. Nickel	10,791	47.00	47.37	46.25	46.75
1	.65	.28½	J.M. Cons. Gold	29,200	.63	.65	.60	.62
1	.60	.40	Kerr Lake		(.50 bid .75 asked)			
1	.65	.30	Kirk. Hud. Bay	6,600	.62	.62	.55	.62
1	.94	.40	Kirkland Lake	410,275	.51	.94	.47	.78
...	.10	.03½	Kirk. Premier		(.10 May 23)			
1	.31	.14½	Kirk. Townsite	80,884	.21½	.31	.21	.27
No	.09½	.03	Lake Maron	233,500	.06½	.07	.05½	.05½
1	60.00	51.75	Lake Shore	3,705	58.87	60.00	58.00	59.50
1	.19	.05	Lamaque Contact	128,000	.11	.10½	.08½	.09½
1	1.38	1.03	Lava Cap G.	36,150	1.28	1.38	1.27	1.33
1	.29½	.12	Lebel Oro	173,539	.26	.26½	.23	.23
1	.06½	.02½	Lee Gold	65,400	.04	.04½	.03½	.04½
No	7.75	6.05	Little Long Lac	4,470	6.75	6.90	6.65	6.90
1	4.74	3.12	Macassa	25,875	3.85	4.05	3.80	4.05
1	.07	.01½	Malrobic	94,900	.04½	.04½	.04	.04½
No	.33	.12	Mandy	3,750	.25½	.29	.22	.25
No	.25	.05½	Man. & Eastern	305,500	.21	.24½	.20	.23
1	.26	.05½	Maple Leaf	26,700	.24	.24	.21	.21½
5	49.25	40.00	McIntyre	6,700	44.25	45.75	43.00	45.25
1	1.73	1.22	McKenzie R.L.	99,705	1.64	1.73	1.60	1.63
1	.65	.45	McKinley	275	.62½	.65	.60	.65
	5.00	3.90	McLeod Cockshutt	77,920	4.20	4.30	3.60	4.05
1	.14	.02	McMillan	112,400	.05½	.05½	.03½	.04½
No	1.65	1.19	McWatters	78,000	1.39	1.48	1.30	1.41
1	.42	.21	McVittie	29,575	.33	.33½	.25	.27
5	.75	.50	Mentor Exp. & Dev.		(.52 bid 1.00 asked)			
No	1.50	1.10	Mining Corp.	3,050	1.26	1.25	1.21	1.25
No	1.00	.07½	Minto Mines	9,500	.73	.70	.65	.70
1	.16	.06	Moffatt Hall	70,150	.14	.16	.13	.13½
1	.80	.58	Morris Kirk	14,650	.71	.71	.63	.63
1	.33	.06½	Moneta	128,800	.30	.31	.22	.26
1	.07½	.00¾	Murphy	1,069,900	.04½	.07½	.04½	.06
No	.04½	.02	Newbec	171,350	.03½	.04½	.03	.03½
1	.06½	.01½	Night-Hawk Penn.	302,900	.04½	.06	.03½	.05
5	3.05	2.35	Nipissing	1,270	2.50	2.50	2.35	2.40
No	57.00	44.50	Noranda	15,864	54.75	57.00	54.50	56.75
No	.63	.28½	Nor. Canada	226,900	.44	.63	.43½	.60
1	2.90	.34	O'Brien	317,030	2.52	2.90	2.49	2.55
1	.79	.40	Omega	67,280	.67	.76	.65	.68
1	.14	.07	Osisko	7,500	.10	.14	.10	.14
No	5.20	3.50	Pamour	72,641	4.05	5.20	3.95	4.95
1	.31½	.18½	Parkhill	72,600	.22½	.23½	.18	.21
1	.10½	.02½	Pawnee Kirk.	132,800	.09	.09	.07	.07½
1	1.20	.50½	Paymaster	230,310	1.15	1.16	.99	1.08
1	1.20	.75	Pend Oreille	2,700	.75	.81	.75	.75
1	1.75	1.12	Perron Gold	18,550	1.50	1.53	1.44	1.50
1	.04½	.02	Peterson Cobalt	6,500	.03	.03½	.02½	.02½
1	6.90	3.95	Pickle Crow	123,605	5.80	6.60	5.75	6.45
1	12.00	9.00	Pioneer Gold B.C.	5,365	9.00	9.30	9.00	9.30
1	.15	.04	Porcupine Crown	72,000	.10½	.11	.10	.10
1	2.48	1.80	Premier Gold	5,220	2.35	2.43	2.30	2.42
1	2.05	.21	Preston E. Dome	1,182,695	1.10	2.05	1.25	1.58
No	3.25	2.10	Prospectors Air's.	4,050	2.40	2.65	2.25	2.30
1	1.40	.75	Quebec Gold	24,100	.75	.90	.75	.90
1	.65	.40	Do. Rights	8,190	.45	.65	.40	.60
No	.07½	.02	Quemont	200	.07	.07	.06	.07
1	2.27	1.43	Read Authier	81,295	2.10	2.27	2.00	2.25
1	1.62	.50	Red Lake	275,975	1.35	1.62	1.30	1.58
1	1.35	1.00	Reno Gold	11,495	1.32	1.35	1.27	1.35
1	.13½	.01	Ritchie	248,850	.08½	.11½	.08	.10½
1	.09	.04	Robb Montbray	40,600	.06	.06½	.05½	.05½
1	.28	.05½	Roche Long Lac.	116,875	.26	.26	.19	.23
1	3.45	2.16	San Antonio	11,774	2.30	2.40	2.28	2.30
1	1.15	.75	Shawkey	109,545	1.10	1.10	.92	1.05
50c	.86	.56	Sheep Creek	11,450	.78	.80	.75	.75
1	1.40	1.00	Sherritt Gordon	29,241	1.12	1.15	1.06	1.09
1	3.60	2.83	Siscoe	37,460	3.50	3.55	3.36	3.45
1	.52	.44	Sladen Malartic	51,700	.44	.49	.45	.46
1	6.25	4.40	South Amer. Gold	200	4.85	4.85	4.85	4.85
No	.08½	.03½	South Tiblemont	51,278	.04½	.05½	.04½	.05½
No	.48½	.18½	Stadacona	344,385	.43	.48½	.41	.43
1	.38½	.18	St. Anthony	91,550	.22	.29	.21	.26
No	4.95	3.00	Sudbury Basin	2,400	3.65	3.75	3.55	3.65
1	.19	.06	Sudbury Contact	45,300	.17	.17½	.15	.15½
1	.07½	.03½	Sudbury Mines	149,500	.05	.05	.04½	.04½
1	1.41	.83	Sullivan Cons.	109,075	1.27	1.41	1.20	1.28
1	2.90	2.25	Sylvanite	10,795	2.55	2.65	2.52	2.65
1	.68	.28	Tashota	372,600	.45	.68	.50	.54
1	5.50	4.30	Teck Hughes	45,094	5.00	5.50	4.95	5.35
1	.68	.37½	Thompson Cadillac	171,900	.61	.68	.60	.61
1	.23	.02	Timiskaming	210,600	.17	.23	.10	.12
1	1.50	1.20	Toburn Gold	1,120	1.30	1.35	1.25	1.35
1	.44	.20	Towagmac	12,700	.41	.40	.31	.37
1	.40	.25	Treadwell		(... bid .40 asked)			
No	2.52	1.60	Ventures	19,460	1.90	1.97	1.81	1.92
No	1.35	1.00	Waite Amulet	8,042	1.12	1.12	1.05	1.11
50c	.21	.11	Wayside	16,910	.13	.13½	.12½	.13
No	.04½	.03	White Eagle	41,300	.03½	.04½	.03½	.04½
1	.09½	.03	Wiltsey Coughlan	39,400	.06	.09	.05½	.09
1	.09	.04	Wood Kirkland	22,850	.08½	.09	.08	.08½
No	9.00	7.55	Wright-Hargreaves	13,256	8.00	8.25	7.85	8.25
No	.71	.38	Ymir Girl	6,100	.63	.59	.55	.58

OIL STOCKS

Par. Val.	Range 1936 High	Low	Company	Sales	Close May 23 (or last)	High for week	Low for week	Close June 1
No	.18½	.11	Acme Gas & Oil	10,700	.13	.12½	.12	.12
1	.70	.46	Ajax	1,200	.50	.50	.46	.46
No	1.39	.70	Calgary & Ed.	3,815	1.01	1.10	1.01	1.01
1	.14	.05	Calmont	2,500	.09	.09½	.08½	.09½
No	.10½	.04	Common Pete.	......	(.05 bid .07½ asked)			
No	.78	.40	Dalhousie	9,600	.40	.54	.40	.45
No	.13½	.06	East Crest	23,500	.07	.10	.06½	.08
No	.70½	.35	Foothills	100	.50	.40	.40	.40
No	.18½	.13	High Sarcee	......	(.12½ bid .15 asked)			
No	1.46	.70	Home	30,875	.95	1.20	.74	1.08
1	.81	.11	Homestead O. & G.	364,340	.50	.81	.50	.67
No	.14½	.08	Lowery	500	.13½	.08	.08	.08
No	.24	.13	Merland	5,500	.15	.15	.14	.15
5	.26	.14	Nordon	17,300	.16½	.19	.15½	.18
No	.07	.03	Oil Selections	5,600	.05	.05	.04	.04
No	.15	.08	Olga Gas & Oil	153,350	.12½	.13½	.12	.13
1	.75	.55	Petrol Oil & Gas	40	.70	.65	.65	.65
No	39.50	26.25	Royalite	572	28.00	28.50	27.50	28.50
No	.10	.04	South West Pete.	......	(.08 bid .12 asked)			
No	4.85	1.63	Texas Can.	20,475	2.10	2.20	2.00	2.06

VANCOUVER STOCK EXCHANGE

(Transaction for Week to June 1.)

Par. Val.	Range 1936 High	Low	Company	Sales	Close May 25 (or last)	High for week	Low for week	Close June 1
25c.	.00½	.00¼	Bayview	......	(.00½ bid .01 asked)			
20c.	.05	.02½	Beaver Silver	4,500	.02½	.02½	.02½	.02½
25c.	.01½	.01	Bluebird	......	(.01 bid .... asked)			
No	8.50	5.60	Bralorne	11,490	7.45	8.50	7.35	8.50
1	.10	.02	Bridge River Cons.	10,800	.05½	.07½	.07	.07½
50c.	.25½	.08½	B.R.X. Gold	25,600	.15	.15	.14	.15
50c.	.17	.12½	B.R. Mountain Gold	6,500	.16	.17	.15	.17
1	.54	.17½	B.C. Nickel	25,350	.32	.34	.30	.34
1	2.75	1.50	B.C. Silver	200	2.60	2.65	2.65	2.65
50c.	.12	.04	Canadian Rand	49,200	.09½	.10½	.08	.09½
1	1.52	1.15	Cariboo Gold	25,425	1.40	1.48	1.41	1.48
1	.30	.12½	Congress Gold	97,400	.27½	.26	.19	.22
25c.	.00½	.00¼	Cork Province	......	(.00½ bid .00¾ asked)			
1	.04	.02½	Cotton Belt	......	(.02 bid .02½ asked)			
1	.03½	.01	Dalhousie Mines	1,000	.02	.02	.02	.02
No	.36	.17	Dentonia	3,700	.19	.19	.18	.18½
No	.08½	.02	Dictator	104,400	.04	.05½	.04	.05½
1	.07	.03½	Dunwell	......	(.03½ bid .04 asked)			
No	.09½	.03	Fairview Amal.	15,500	.05	.06½	.04½	.05½
50c.	.55	.35	Fawn Mining	9,670	.50	.55	.50	.53
1	.18½	.03½	Federal Gold	36,900	.08½	.08½	.07½	.06½
1	.25	.20	George Copper	500	.20	.20	.20	.20
50c.	.05½	.03	George Enterprise	......	(.04 May 8)			
1	.02½	.01½	Georgia River	12,500	.01½	.02	.01½	.01½
50c.	.02½	.01	Glacier Creek	......	(.01 bid .01½ asked)			
1	.24	.11	Golconda	1,300	.13	.13	.13	.13
50c.	.54	.29	Gold Belt	14,500	.45	.50	.45	.48
50c.	.18	.05	Gold Mountain	28,700	.13	.13½	.10	.11½
50c.	.04½	.02	Grandview	......	(.02½ bid .03 asked)			
No	.07½	.02	Grange Mines	5,000	.02½	.02½	.02½	.02½
1	.11	.07	Grull Wihksne	5,400	.08	.10	.08½	.09½
No	.05½	.02½	Haida Gold	1,000	.04½	.04	.04	.04
50c.	.32	.21	Hedley Amal.	4,000	.22	.22	.21	.21
No	.05	.04	Hedley Sterling	......	(.... bid .04 asked)			
No	.08	.02	Home Gold	103,700	.03½	.05	.04	.04½
1	.02	.00½	Independence	......	(.... bid .01 asked)			
1	.03	.02	Indian Mines	......	(.02 bid .02½ asked)			
50c.	1.60	.95	Island Mountain	7,650	1.59	1.60	1.55	1.55
1	.21	.18	Inter'tl Coal	......	(.20 bid .21 asked)			
50c.	.72	.30	Kootenay Belle	12,400	.60	.63	.57	.58
20c.	.00¾	.00¼	Koot-Florence	2,000	.00½	.00½	.00½	.00½
25c.	.00½	.00¼	Kootenay King	......	(.00½ bid .... asked)			
25c.	.00½	.00¼	Lakeview	......	(.00½ bid .... asked)			
10c.	.02½	.01½	Lucky Jim	7,500	.02	.01½	.01½	.01½
No	.14½	.04½	Mak Siccar	38,950	.06	.05½	.04½	.05½
50c.	.00½	.00¼	Marmot Metals	......	(.00½ May 15)			
1	.20	.12	McGillivray Creek	......	(.18 bid .... asked)			
50c.	.14½	.06½	Meridian Min.	1,280	.09	.09	.08½	.08½
No	.94	.07	Minto Mines	73,900	.69	.71	.64	.69
50c.	.05	.02	Morning Star	69,600	.02½	.03½	.02½	.03½
1	.01	.00½	Morton Woolsey	2,000	.00½	.00½	.00½	.00½
25c.	.03½	.02	National Silver	6,500	.03½	.03½	.03½	.03½
50c.	.15	.07½	Nicola	93,300	.09½	.12	.09	.10
50c.	.05½	.03	Noble Five	8,000	.03	.03	.02½	.03
No	.08	.02	Pilot Gold	42,200	.06½	.06½	.05½	.06½
1	11.85	9.10	Pioneer Gold	3,245	9.25	9.50	9.10	9.40
50c.	.07	.04	Porter Idaho	6,000	.05	.04½	.04½	.04½
No	.01½	.00½	Premier Border	12,000	.01½	.01½	.01½	.01½
1	.02	.01	Quatsino Copper	......	(.01 bid .02 asked)			
25c.	.13½	.05	Quesnelle Quartz	1,000	.08	.08	.08	.08
...	.09½	.05½	Reliance	93,100	.09½	.09½	.07½	.08
1	.48	.26	Relief Arlington	2,600	.27	.28	.26	.28
No	.12	.05	Reeves McDonald	200	.06	.08	.08	.08
1	1.35	1.00	Reno Gold	4,610	1.34	1.34	1.30	1.33
1	.15	.02	Reward Mining	210,000	.07½	.09½	.07	.08½
1	.03	.01	Ruth Hope	......	(.01½ bid .... asked)			
1	.15	.08	Sally Mines	15,700	.11	.12½	.11	.12½
50c.	.13½	.08	Salmon Gold	3,800	.08½	.09	.08½	.09
50c.	.78	.55	Sheep Creek	44,650	.78	.78	.72	.76
25c.	.01½	.00½	Silvercrest	10,000	.00½	.00½	.00½	.00½
20c.	.02½	.01	Silversmith	1,000	.01½	.01½	.01½	.01½
50c.	.00½	.00¼	Snowflake	......	(.00½ bid .... asked)			
1	.54	.43	Standard Silver	200	.45	.45	.45	.45
10	24.25	18.75	Sunshine	100	18.75	18.75	18.75	18.75
No	.24	.07½	Taylor Bridge	......	(.10 bid .... asked)			
1	.27	.07	Taylor Windfall	......	(.14 bid .... asked)			
50c.	.03	.02	United Empire	2,000	.03	.02½	.02½	.02½
No	1.61	.65	Vidette Gold	21,050	1.15	1.61	1.18	1.50
No	.08½	.00¾	Viking Gold	182,000	.05	.06½	.04½	.05½
No	.06½	.01	Waterloo Gold	47,500	.04½	.05½	.04½	.05½
25c.	.01½	.00½	Waverley Tangier	11,000	.00½	.00½	.00½	.00½
50c.	.20½	.11½	Wayside	12,700	.13	.13½	.12½	.13
20c.	.01½	.01½	Wellington	5,000	.01½	.01½	.01½	.01½
1	.06½	.03	Whitewater	1,600	.03½	.03½	.03	.03
No	.69	.42	Ymir Yankee Girl	......	(.... bid .60 asked)			
			OIL STOCKS					
1	.19	.09	Alta. Pac. Cons.	5,400	.14	.16	.15	.16
1	.15	.05	Amalgamated	4,800	.10	.10½	.09½	.10
1	.05½	.02½	Anaconda	2,000	.03½	.03½	.03	.03
No	.05	.02	Baltac	......	(.... bid .03½ asked)			
1	.14½	.05	Crow's Nest	7,900	.09½	.10	.09½	.09½
No	.05½	.03	Devenish	......	(.02 bid .... asked)			
No	.12½	.05	Freehold	......	(.05 bid .... asked)			
No	.08	.04½	Hargal	200	.05	.05	.05	.05
No	.18	.12	High Sarcee	5,900	.15	.15	.13	.15
No	.02½	.01	Madison	1,500	.01½	.01½	.01½	.01½
No	.25	.11½	Marjon Oil	7,000	.16	.19	.18	.18
No	.08½	.05	McD. Segur Ex.	500	.06	.06	.06	.06
1	.40	.20	McLeod	......	(.26 bid .28 asked)			
No	.18½	.08	Mercury	4,600	.12½	.13	.12	.12
No	.15	.08	Mill City Pete.	......	(.09 bid .... asked)			
1	.26	.20	Model	1,500	.20	.20	.20	.20
No	.13	.04	Okalta	......	(.06 bid .... asked)			
No	.09½	.04½	Pacalta Oil	6,400	.06	.06½	.06	.06½
1	.83	.47	Ranchmen's	5,200	.53	.55	.51	.52
1	.27	.18	Spooner	385	.20	.22	.21	.21
No	.09½	.05½	United	10,700	.06½	.06½	.06½	.06½
No	.10½	.05	Vanalta	600	.07	.06½	.06½	.06½
1	.12½	.10	Vulcan	......	(.10 May 8)			

Unlisted Mines

June 2, 1936

	Bid	Asked
Albany River	.62	..
Ardeen	.23	.25
Area	.06½	.07
Athabaska	.20	.23
Athona (Gt. B. L.)	..	.45
Bailor	.06¾	.07½
Bankfield Gold	.62	.64
Bidgood Kirkland	1.95	2.00
Big Master	.38	.41
Blue Star	.40	.44
Bosquet Gold	.14½	.15½
Callinan	.12	.13
Can. Kirkland	.03¾	.04
Canusa Mining (new)	.50	.57
Capital Rouyn (new)	.18	.20
Casey Contact	.05½	.06
Casey Summit	.28	.30
Central Porcupine	.50	.53
Chromium	2.15	2.25
Columario	.05½	.06½
Cuniptau	.32	.35
Dunlop, new	.11	.12
Dorval Siscoe	.22	.23
El Bonanza	.07	.09
East Malartic	.51	.53
Frontier R. Lake	.16	.18
Gilbec	.06½	.07½
Gillies Lake	.52	.54
Glenora	.37	.39
Gold Eagle	.95	1.00
Goldside	.23	.25
Gordon Lebel	.41	.40
Golden Rose	1.55	1.65
Horseshoe	.07	.08
Hudson Patricia	.33	.35
Hutchison Lake	.10	.12
Jellicoe	.22	.24
Johnson Nipigon	.06½	.07½
Kaw Crow	.27	.30
Kenogamisis	..	.15
King Kirkland	.06½	.07½
Lapa Cadillac	.31	.33
Lafayette L. Lac	.05½	.06½
Lamaque Gold	4.50	..
Leitch Gold	.62	.66
Long Lac Lagoon	.11½	.12½
Madsen Red L.	.48	.50
Manitoba Basin	.07¾	.08¼
Magnet Lake	..	.13
Matchewan Can.	..	.17
May Spiers	.35	.37
McCarthy Webb	.36	.38
Mosher	.50	.52
Moffatt Hall	.11½	.13
Moffatt Hall (new)	.45	.48
Murmac	.13½	.15
North Shores	.03¾	.04½
Norlake	.26	.28
Oklend	.40	.42
O'Leary	.14½	.16
Opemiska	1.50	1.60
Oriole	.09½	.10½
Porcupine Gold R.	.06	.07
Proprietary M.	.50	.55
Queen Lebel	.13	.15
Rice Lake	.09	.10
Sand River	.35	.39
Skookum	.29	.31
Smelter Gold	.11	.13
South Keora	.10	.12
Springer	.10	.13
Straw Lake	.16	.18
Sturgeon R. Gold	.52	.56
Wells Long Lac	.07	.10
Wendigo	.15	.17
W. Red Lake	.08	.09
West Side L.	.17½	.18½
Winoga	.37	.40
Young Davidson	.25	.26
Young Shannon	.16½	.18

Listed Bonds

Week Ended June 1, 1936

	Int. rate	Due	High	Low	Range 1936 High	Low
Mtl. L. H. & P. Debs.	3	'39	51	50½	51½	50
Unlisted:						
Cons. Paper	5½	'61	35⅞	...	35⅞	30⅞

Investment Trusts

	Bid	Asked
All Can. Com. Trustee Shs.	11.80	12.40
Can. Amer. Trust	3.85	....
Can. Equity	4.20	4.60
Can. Invest. Fund	4.15	4.35
Grouped Income	5.10	6.25
Trans-Canada	11.80	12.25

Mining Dividends

	Rate	Close June 2	Yield %
Anglo-Huronian	20c	4.80	..
Beattie Gold	†5c	1.25	..
Bralorne	10+5	8.10	..
Buff. Ankerite	20c	7.60	2.6
Bulolo Gold	‡$1.40	33.50	..
Cariboo	10c	1.45	6.9
Coniagas†	12½c	3.50	..
Dome Mines	$2+$2	60.00	6.6*
Falconbridge	30c	8.00	3.7
Hollinger	65c+15c	16.12	4.9*
Howey Gold	5c	.38	..
Hudson Bay	$1	27.50	..
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	60c	11.00	5.4
Int. Nickel, c.	$1.20	46.75	2.5
Kirk. Lake‡	3c	.78	..
Lake Shore	$4	59.50	6.7
Macassa	15c	4.05	..
McIntyre	$2	45.25	4.4
McKenzie R. Lake	†3c	1.63	..
McKinley Sec.	2½c	.65	..
McWatters Gold†	5c	1.41	..
Nipissing	25c	2.40	..
Nor. Can. Mining	2c	.60	..
Noranda	‡$1.25	56.75	..
Pickle Crow†	5c	6.45	..
Premier	12c+1c	2.42	5.4*
Pioneer, B.C.	80c	9.30	8.6
Reno	12c	1.36	8.9
San Antonio	21c	2.30	9.1
Siscoe	20c	3.45	5.8
So. Amer. Gold	30c	4.85	6.2
Sylvanite	20c	2.65	..
Teck-Hughes	40c+5c	5.35	8.4*
Toburn	8c	1.35	5.9
Ventures	†2½c	1.92	..
Wright-Har.	40c+20c	8.25	7.3*
Ymir Yankee	†2c	.58	..

‡Interim. †Initial. *Yield includes bonus.

Winnipeg Stocks

(Transactions from May 25 to May 30)

	Sales	High for period	Low for period	Close May 30
Bailor Synd.	100	.60	.60	.60
Bailor Gold	11,700	.06	.05½	.06
Dom. Envelope, c.	10	1	1	1
Flin Flon	4,500	.21	.19½	.19½
Forty-Four	80	2	2	2
Gold Lake	8,900	.48	.45	.47
Gurney Gold	400	.53	.53	.53
Cons. Goldfields	5,000	.14	.11½	.11½
Gt. Falls M. & S.	200	.10	.10	.10
Island Lake	4,250	.04	.03	.03
Leitch Gold	700	.70	.60	.60
Herb Lake	2,000	.09	.09	.09
Lafayette	1,500	.06	.05	.06
Marvel Oils	9,000	.07	.07	.07
Oxford Mines	180	.25	.25	.25
Optic Lake	518	2.20	2.00	2.00
Ore Grande	5,900	.12½	.10½	.11½
Packsack	1,100	.20	.19	.19
Rice Lake	2,000	.09	.08½	.08½
Rice L. Units	3	4	4	4
Stovel Lake Syn.	75	1.50	1.45	1.45
Scattergood	1,500	.03	.03	.03
Scotia	200	.06½	.06½	.06½
United Grain	18	13	13	13
Wingold	14,015	.07½	.06	.07
Wylie Dom.	3,900	.50	.45	.45
Wallace Lake	13,600	.05	.03	.03

Stocks Not Traded in During Week

	Bid	Ask.
Beaver Fire Ins.	..	100
Can. Indemnity	135	..
Comm. Securities	..	10
Dom. Envelope, pref.	90	..
Home Invest.	24	..
Northern Trust	8	9½
Traders Bldg.	71½	75
West. Steel, pf.	6½	..
West. Breweries	..	1.90

*Stocks more active on other exchanges not included.

Your Investments

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Loblaw Record

What is the depression record of Loblaw Groceterias particularly as to dividends? Has the company a good cash position? What is the capitalization and the difference between A and B shares?

Loblaw's outstanding capital is 447,331 class A and 383,300 B shares. The A shares are entitled to cumulative preferred dividends of 50 cents a share before the B stock gets anything, and after 50 cents is paid on the B stock in any year further profits are divided equally, share for share between them. The A shares are redeemable by purchase, or by call at $50 a share, and do not vote unless dividends are in arrears.

At present dividends of $1 a share are being paid annually on both classes of stock, so the A shares don't vote and there is little prospect of dividends falling in arrears. However, the preference attached to the A stock causes these shares to sell at slightly higher prices than the B stock.

In 1929 the old Loblaw shares were divided into two A shares and two B shares. Dividends were then equivalent to 50 cents a share on the stock. Through the depression dividends were raised to 80 cents a share and to $1 a share in 1933. This is a remarkably good record and earnings are being maintained or increased.

In last year's report, the company showed a working capital of nearly $2.5 millions, including almost $1 million in cash or government bonds and $700,000 of savings certificates.

General Brock

What is the market price for General Brock Hotel bonds? Is there hope of recovery or of interest? If not, are the bonds worth holding?

General Brock Hotel bonds were paid 25 cents on the dollar in cash last year, and the Sun Life Assurance Co. lent $250,000 on a new first mortgage. The remaining 75 per cent of the old bonds was replaced by new 3 per cent second mortgage bonds, and these are quoted 6 bid, 8 asked, a very low figure. The first interest payment on the new second mortgage bonds falls due Dec. 1, 1937, and there is some uncertain hope that it may be paid. However, that is some distance away. Results for the hotel have shown some inclination to improve, and a good summer season is expected. The outlook for this security is obscured, but you haven't got a great deal to lose by holding on.

Lombard Realty

What are National Realty bonds worth? Is there any prospect of an interest payment?

National Realty has become Lombard Realty Co. due to reorganization last year. If you have not already done so, you should exchange your bonds through the Montreal Trust Co., Toronto, for 70 per cent face value in new first mortgage bonds and the balance in common shares. The bonds are quoted 30 bid, 35 asked. This quotation, of course, is on the reduced amount of bonds.

We understand there is some improvement in the company's position, but earnings have been devoted chiefly to payment of tax arrears. There is no prospect of an early interest payment, and earnings of these parking garages have only tended to rise sluggishly, because of competition from outdoor parking lots in downtown Toronto.

C. P. R. Convertibles

I am thinking of buying a convertible C.P.R. 3 per cent bond due 1945. What do you think of this?

Rather than a C.P.R. 3 per cent bond of 1945, we would suggest that you consider a C.P.R. 3½ per cent bond, due 1951. The 3 per cent issue is callable at 102. Since you are apparently buying with the idea of possibly getting some benefit from the conversion privilege, you might be frustrated by redemption of the bonds. However the 3½ per cent bonds are not callable, and can be purchased at about 96, or only slightly above the price of the 3 per cent issue.

Dominion Woollens

I hold some bonds of Dominion Woollens & Worsteds and have not been able to get much information on the situation. Is the company making progress? What are the bonds worth?

Dominion Woollens & Worsteds bonds are quoted 26 bid, 28 asked, and are really valued on the basis of the very unfavorable showing for the year ended June 30, 1935, when the total deficit was approximately $239,000. We understand that considerable improvement has been shown since that time. The probability is that the company's working capital position will be improved by the terms of last year's reorganization which deferred bond interest until 1938.

Canada Paving

Are the common shares of Canada Paving & Supply Corp. of any value?

Liquidation of Canada Paving and Supply Corp. is not complete, and there is a possibility of some payment eventually on the preferred shares. The possibility of any payment on the common, however, is so remote that they can be regarded as of no value for all practical purposes.

Brazilian Traction

Are Brazilian Traction shares worth holding?

Since you wrote, a dividend of 30 cents a share has been declared on Brazilian Traction common shares indicating that they were worth holding at least in that brief period. The question of permanent dividends, when settled, will determine whether the shares are still worth holding and this conundrum is shrouded in obscurity.

The company is apparently doing well on its operations in Brazil, although it is somewhat harassed by the difficulty of arranging various new rate agreements. These are necessary because of suspension of the company's former right to adjust its rates in accordance with changes in the gold value of Brazilian currency. There is a tendency in Brazil to bait foreign-owned utilities.

The company cannot count on getting money out of Brazil in order to pay dividends to shareholders abroad, until exchange restrictions are relaxed. This cannot come until Brazil's exports increase in volume and value. Meanwhile the position of Brazilian Traction common shares cannot be regarded as very clear or very satisfactory.

Calgary Power

Can you advise me if you think Calgary Power preferred is a good investment?

While Calgary Power Co. has lost the revenue from its rather substantial investments in Ottawa Valley Power, the 1935 report indicated that net income was sufficient to cover the dividend on the preferred stock. In the event Ottawa Valley Power is successful in its lawsuit with Ontario Hydro, then the value of the preferred would likely increase. There does not appear to be any reason why the company cannot continue to pay the dividend.

Ogilvie Realty

We are holding some of the bonds of Ogilvie Realty Co. Can you let us have your views on this security and also particulars of the balance sheet, as we have not been able to obtain a copy of the financial statement?

We are given to understand that Ogilvie Realty Co. is doing somewhat better. Bond interest is being paid regularly, though the sinking fund is in arrears. There is no financial statement issued by the company and we are not in a position to comply with your request for particulars of the balance sheet.

Dunrobin Limited

I would like some information on Dunrobin Ltd. How does it look as an investment in distilling?

Dunrobin Limited operates a distillery at Grimsby, Ont. Its main sales are expected to be of brandy, which so far has not been a Canadian product. Its brandy and some of its other products have been listed with the Ontario Liquor Commission, and efforts are being made to boost sales. It is a new venture, and the possibilities of profit in manufacture and sale of brandy have to be proved, which may take a year or two.

Dosco

As the reports of Dominion Steel and Coal do not appear to be bad and profits are rising, why do they not declare dividends on the B stock?

Capital adjustments carried out by Dominion Steel and Coal Corp. in 1935 reduced funded debt by $2,480,000, placed it on an income basis, and eliminated $1,124,963 of accrued interest, thereby increasing working capital substantially.

As a result of these changes, coupled with more favorable operating conditions, the company was able to earn a profit of $145,347 in 1935 after all charges but before bond interest, in contrast to the losses of previous years.

Interest on the cumulative income bonds was paid to the extent of $121,220 leaving arrears of 5.58 per cent accumulative from the date of issue to the end of 1935. Since that time 1¾ per cent has been paid.

Operations in 1936 to date have been maintained largely due to steel rail orders from South Africa. These are at a highly competitive price, but help to keep down costs. Domestic business, aside from rails, has been on the upgrade, but normal operations cannot be expected until the Canadian railways are able to afford substantial expenditures for steel products.

Until such time as the arrears of interest on the bonds are cleared up, there is no possibility of the company paying a dividend on its class B stock.

Walker-G. & W.

I am considering purchase of 100 shares of Hiram Walker-G. & W. common shares, but first would like your views on the outlook.

Dividends of $2 a share annually are being paid on Walker's common shares at present. Last year earnings were over $4 a share and this year's results are also expected to be good.

Reduction of U. S. duty on spirits has caused a drop in price for Walker's brands in the United States, and while this resulted in some inventory loss the important thing is for the company to establish its brands at modest prices before American distillers gain ground in ageing spirits. When the U. S. distillers build up their stocks, competition may become keener although it is stiff enough even now. Future profits cannot be appraised in view of the uncertainties ahead in the U. S. market.

The company has a strong working capital position and has funded bank loans incurred in connection with erection of its enormous distillery at Peoria, Ill. The company is as well equipped as any to take advantage of the new opportunities in the United States since repeal of dry laws.

C. N. R. or "Gats"

Will you please let me know if you think it would be advisable to change from C.N.R. three per cent 1950 bonds to Gatineau's series A six per cent 1941 bonds?

A switch from Canadian National Railway three per cent bonds of 1950 to the Gatineau six per cent debentures, series A, would mean a higher return on the capital invested at the cost of less security. The former bonds are a high-grade investment, while there is a speculative risk attached to the Gatineau debentures. While it is anticipated that Gatineau Power Co. will be able to continue paying interest on the debentures under the terms of the new contract with Ontario Hydro, the margin of safety is rather slim and if you are primarily interested in safety, it might be advisable to consider the Gatineau Power first mortgage bonds rather than the debentures.

Tuckett

Will you please let me have your information on Tuckett Tobacco preferred which I have been asked to exchange for another security?

Tuckett Tobacco preferred is highly regarded as an investment as indicated by its high price. The shares are not callable, and as long as yields on other securities remain low the price of the preferred should be firm. The company earns its annual preferred dividend of $7 a share slightly over three times in a year. Substantial dividends on the common, held by Imperial Tobacco Co., are drawn down from Tuckett's each year. Since the preferred is the senior charge on large earnings, the dividend seems safe enough. The chief question for you to consider is whether you should not take your profit now because of the high price of the shares.

Bathurst

It has been suggested to me that I should buy some of the stock of Bathurst as a speculation, but before doing so would like to have your opinion.

Bathurst Paper mill's operating and financial position has undergone an improvement in the last couple of years. While there has been an increase in earning power, we do not anticipate that immediate action will be taken in respect to paying a dividend on the class A stock. The shares have risen, but it is problematical whether further improvement in value is coming soon. They can't go up for ever.

The Woman Investor

An Exploded Fallacy

A WOMAN who recently inherited a portfolio of first-grade Canadian industrial securities from her father is seriously considering selling them and placing the money in a list of "penny" mining stocks.

Her father was an astute business man who amassed a comfortable fortune by exercising a keen business brain for more than half a century. He also had a penchant for speculation, but while he invested in sums of five figures, his speculations were confined to the "small change" ventures.

His daughter, without extensive business experience, is considering another plan, inspired by the current wave of speculative activity in mining securities. She believes that by converting 1,000 shares of a first grade industrial stock into 10,000, 20,000 or 50,000 "penny" shares of a dozen or more different mining companies, she is certain to "pick a winner."

Her theory, that the profits from one "penny" mine will more than compensate for the losses of ten others, is not a new one. It is based on the same principle that inspires a race track gambler to bet on nothing but "long shots" and it is about equally productive of profits. The sacrifice of dividends, assured marketability and the equities of high grade securities, on a gamble that one mine out of ten will soar in a boom market, is an extreme in speculative ideas. But far from being original it is actually one of the most completely exploded speculative fallacies that ever existed.

* * *

The Right Perspective

THE wise woman investor follows a course in complete contrast to the speculator. She is not concerned with passing phases of speculative enthusiasm, whether they concern oils, mines, industrials or any other medium of market activity. She is necessarily influenced in her investment policies by factors affecting the long term.

Her judgment is apt to be influenced by temporary speculative influences, but if she has acquired or inherited first grade dividend-paying stocks she does not get rid of them merely to take part in every passing wave of speculative excitement. To do so means that her first venture of that nature is also likely to be her last, particularly if she is without business and investment experience in the pitfalls of a boom market.

The basic policy for women investors is a simple one. Like other investors, they must study the trend of business and economic conditions in relation to the value and earning power of investment securities. There is no substitute on which intelligent investment practice can be based, and there are many sources of information available for purposes of appraising business conditions in Canada.

* * *

Sound Information Needed

RELIABLE investment opinion, earnings statements of leading corporations, the comment of business leaders, data supplied by the Dominion Bureau of Statistics—and by Better Business Bureaus — all assist women investors in forming opinions on investment policy.

Regular and careful perusal of leading financial publications, the advice of reputable investment counsel, whether banker, broker or investment dealer, likewise offer valuable sources of information.

But attempts to pick future Hollingers and Lake Shores from a list of unproved, non-dividend paying "penny" mining stocks; or to pinprick a list of newspaper stock quotations blindfolded, are not the methods by which financial security is obtained.

Rackets

Interest—283 Per Cent

INTEREST charges at the rate of 160 per cent annually on small loans were revealed in the case of one small loan concern in an eastern Canadian city recently. Further investigation into the ramifications of the small loan rackets by investigators of the Toronto Better Business Bureau revealed that a rate of 283 per cent annually was charged in another instance.

Neither concern was operating under Dominion government supervision, and Better Business Bureau investigators, probing an advertisement which appeared in a daily newspaper, uncovered some highly interesting information.

An investigator obtained a $50 loan on his car in the first case, paid a $10 installment a month later and at the end of the next month repaid the entire $50. The rate of interest was 13.33 per cent a month or 160 per cent per annum.

But the second investigation revealed that the lender of the $50 was little better than an amateur in the loan shark business.

* * *

$73 For $50

THE second loan was also for $50, on the security of an automobile, and a month later $12 was paid on the loan. At the end of the next month the loan was paid in full but $58 was needed to settle, and the interest in this case worked out at 283 per cent.

Still the Better Business Bureau investigator was not "paid in full" for he had to pay a further $3, in addition to the $70 already "repaid" for the $50 loan in 60 days to obtain removal of the chattel mortgage on his car.

The loan was re-financed through another so-called finance concern, and as a souvenir of the occasion the latter presented the investigator with a coupon book containing six coupons representing payments of $12 each, or $72 in all, for a period of six months.

Outcome of the transactions was that officials of the Toronto Better Business Bureau, sent a complete report to the chairman of the banking committee of the senate.

Transatlantic Telephone Rates Sharply Reduced

From Our Own Correspondent

MONTREAL. — Effective July 1, Bell Telephone Co. of Canada announces a reduction in transatlantic telephone rates between Montreal and London. The day-time rate for a three-minute talk is reduced from $30 to $21 and the night-time rate from $21 to $15.

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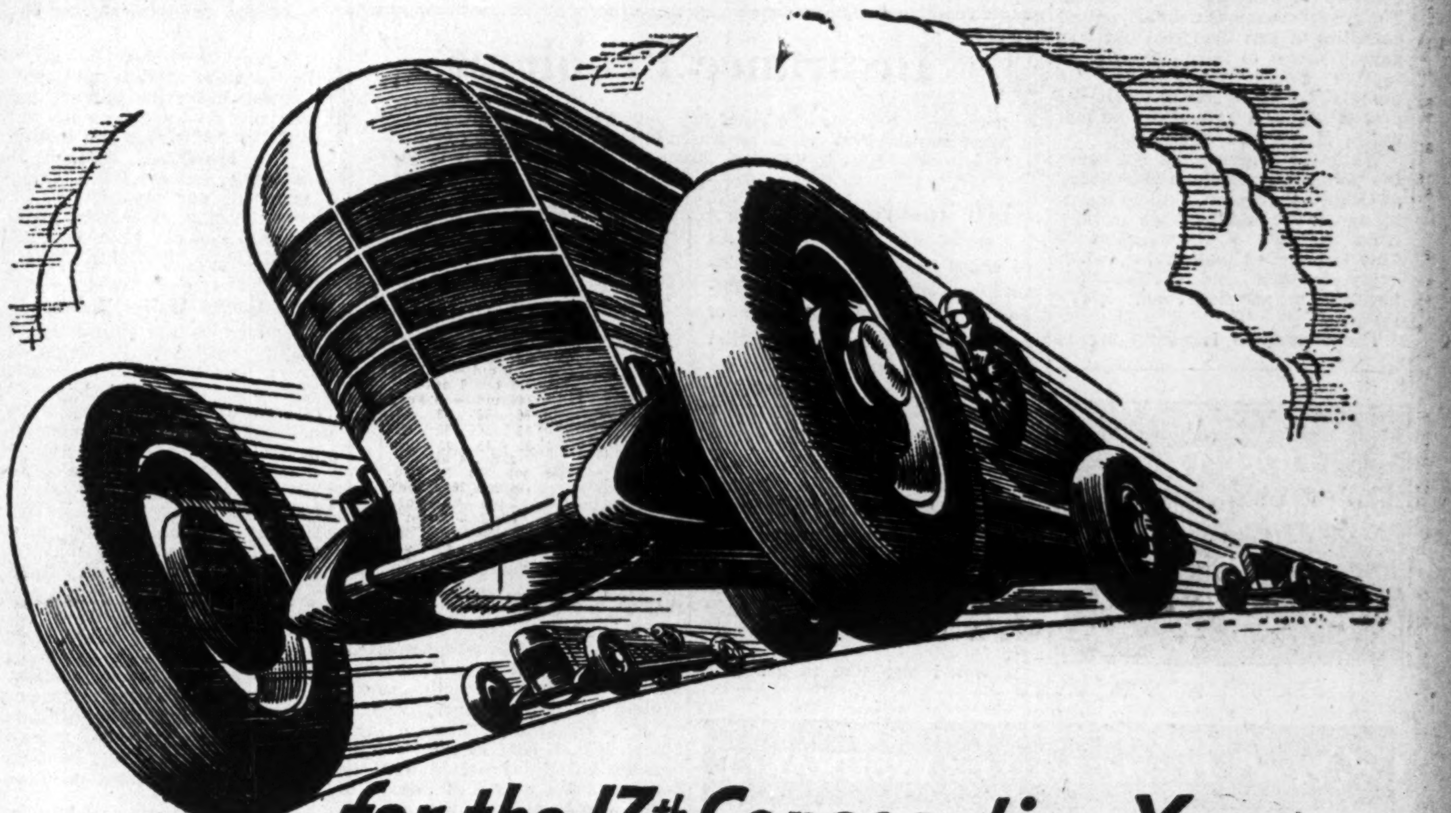

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Higher Rates On Annuities Seem Certain

Committee Hears of Agents Making Clean-up on Sales

FOR REORGANIZATION

From Our Own Correspondent

OTTAWA. — As expert evidence from disinterested witnesses continues to pile up against the present government annuities system, it is becoming apparent that only non-business considerations can prevent a sharp increase in premiums.

Prof. MacKenzie's Views

Last week, Prof. M. A. MacKenzie, of Toronto University and official of the Teachers' Insurance and Annuity Federation of America, declared to the committee that, "unquestionably, rates charged to annuitants under the Canadian government annuities scheme are too low." Mr. MacKenzie stated that the rates charged by commercial companies on this continent and under the British annuity scheme are from 20 to 25 per cent higher.

Inferentially, at least, all witnesses and committee members recognize that nothing can be done to change the existing contracts between the government and some 26,000 annuity holders and purchasers. Changes in rates can only be effective in new contracts.

Would Abolish Agents

Prof. MacKenzie's recommendation was that the government should prepare a mortality table based upon its experience in the annuity field and this table might then be compared with the tables of commercial companies and with the British mortality tables. He recommended, also, that the agents employed on commission in selling government annuities be dismissed. The government was not only selling annuities at less than cost but was paying agents to incur these losses to the treasury. Annuities, he thought, could be sold through the post offices as a part of the normal duties of the post office staff.

While the evidence did not cover the point, it is common knowledge at Ottawa that some of these annuity agents are making large incomes from the sale of these contracts. This is believed undesirable, when every contract sold involves the treasury in additional and heavy losses.

The committee is continuing to take evidence, but its recommendations are scarcely in doubt. Substantial increases in rates will be urged, with a proper administrative set-up to handle the funds obtained by way of premiums. The committee will condemn the present system of considering all premiums paid as ordinary revenue and all annuities paid as merely a charge against this premium income.

With such recommendations many members of the cabinet will agree but there is a strong group, it is learned, that supports the present policy on the ground that it is wise for the state to encourage, by subsidy, the purchase of annuities by the public. The annuity policy initiated by the Laurier administration was one of the chief claims for credit of the Labor department in the days of Mackenzie King's ministership. The reorganization, therefore, will likely meet with opposition in the cabinet but it is thought probable that the need for retrenchment will prevail.

Higher premiums are regarded as very probable although action may be delayed until 1937. In the meantime a complete investigation could be made.

Alberta May Introduce State Auto Insurance

The Alberta government may take out insurance to meet hospital and medical expenses of motorists injured in automobile accidents within the next year, according to an article appearing in "Canadian Automotive Trade. Hon. E. C. Manning, provincial secretary, has predicted that the premiums might be paid out of the $1 annual drivers' license fee.

"We have estimated," Mr. Manning is quoted, "that 50c. out of each dollar can provide a fund which can be set up as insurance by the government. Out of this, medical and hospital expenses of any of the insured motorists can be paid.

"Such insurance would not only protect a motorist from lawsuits resulting from motor accidents but it might be extended to include protection from passengers or others involved, besides the driver of wrecked cars. That has not been decided.

"Study of the possibilities of such an insurance scheme is being based on figures which show that last year $60,000 was expended in Alberta for medical expenses and hospitalization resulting from motor accidents. Through the system of annual license fees of $1 instead of the former system of a permanent license for the same charge, the government expects to raise $125,000 new revenue a year."

HEADS OFFICERS

William Boulton, superintendent of agencies, Confederation Life Association, who has been elected president of the Canadian Association of Life Agency Officers.

Insurance Problems

Insurance questions of general interest submitted by subscribers of **The Financial Post** will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Life Insurance Shares

I am considering an investment of about $5,000 in some life insurance companies with the following objects: (1) security of capital, (2) possibility of capital appreciation, (3) continuance of present dividends with possibility of increased dividends in future or bonuses.

The companies in which I am interested particularly are Imperial Life quoted about $300 and paying 15 per cent to yield 5 per cent; Canada Life quoted at $450 and paying 20 per cent to yield 4½ per cent; Manufacturers' Life quoted at $250 paying 10 per cent to yield 4 per cent; Crown Life quoted at $100 and paying 10 per cent.

I would also like to ask you some specific questions—namely, why is Crown Life stock quoted at such a low figure? Also, are all these shares fully paid up? Are they all earning their present dividends?

Would you be good enough to give me the highest and lowest quotations on these shares during the past ten years and tell me whether you would rate them as an investment or a speculation?

Long-Term Investments

The shares of well-established life insurance companies, such as you have mentioned, are best considered as a long term investment. There is relatively little marketability for the shares of Canadian life companies, and although one or two of these are listed nominally on the Toronto Stock Exchange, quotations are often as far apart as six months or a year. The most active market is usually among dealers in unlisted securities. In other words, most shares in these companies are held by estates or by families closely connected with the company, and except for death or other eventualities, the stock seldom changes hands.

As to security of capital, the record of shares in well-established companies has been very good. Shares in smaller companies have not had such favorable performance, due to the fact that it takes perhaps from 20 to 25 years for a young company to establish itself on a sound basis of operations and earning power, and the hazards from the shareholder's point of view during that period are often considerable.

Dividend Possibilities

As to possibility of capital appreciation in the shares you mention, the situation here again is a long-term, rather than one of immediate prospect.

For example, George D. Finlayson, federal Superintendent of Insurance, has ruled in recent years that life companies are not to increase the return to shareholders or policyholders unless their securities are valued on a true market basis, rather than on the "authorized" or average valuation basis which has been in vogue for the last five years.

Crown Life Change

You ask whether these shares are full paid or not. They are, with the exception of Crown Life shares, which until a month or two ago were (for the most part) only 40 per cent paid up. However, this company paid up an additional ten per cent on the stock recently, and is continuing to pay current dividends at the rate of ten per cent on this paid-in figure.

We know of no way by which it is possible to calculate whether or not insurance companies are actually earning their dividends. Dividends are paid out of shareholders' account, which for most companies is credited each year with a more or less nominal sum to cover the current year's dividend distribution. From this point of view, the life insurance company is something of an enigma, unfortunately.

Price Range

The approximate price range of the shares you mention in the past ten years without going back week by week through our records is as follows:

Imperial Life: high, $350; low, $240; present bid price, $335.

Canada Life: high, $1,100; low, $360; present quote, $526 bid and $535 asked.

Manufacturers Life, high $420, low, $225; present price, $266 bid, $274 asked.

Crown Life: $425 high, $96 low, present bid $105.

All these quotations are those given us by dealers in unlisted securities and may be quite nominal. Thus for Crown Life it is obvious that with stock of this type which has recently been credited with a ten per cent addition to paid-up capital, and which is paying ten per cent, the supply of shares at the quoted price of $105 is virtually non-existent. Any attempt to buy stock in this company might easily put the quotation up half as much again.

Agency Heads View Problems Of Insurance

E. H. McKinney of Ontario Equitable Discusses Its Place

GREATEST RELIEF HELP

The rôle of life insurance in the economic fabric of Canada was stressed by E. H. McKinney, superintendent of agencies, Ontario Equitable Life and Accident Insurance Co. of Waterloo at the annual meeting of the Canadian Association of Life Agency Officers at Quebec recently. Mr. McKinney is retiring president of the association.

William Boulton, Confederation Life, was elected chairman of the Association for 1936-37.

Mr. McKinney pointed to the heavy national cost of supporting the dictum that every family must be taken care of. He noted, for example, that over 100,000 people, or 36 per cent of all those in Canada over 70 years of age, were drawing old age pensions from the Government, and quoted figures from The Financial Post which placed the combined costs of municipal, provincial and federal relief during the past six years at something over $600 millions.

Rôle of Life Insurance

Against this he stressed the important rôle of life insurance, indicating that during this six-year period almost a billion dollars was paid out by life insurance companies by way of death claims, surrender values, policy dividends, and so forth. This amount (exclusive of temporary accommodation extended to hundreds of thousands of policyholders by way of policy loans) exceeded the entire relief expenditures of the federal, provincial and municipal governments by 60 per cent.

"It must be evident," he said, "that the greatest relief agency, the greatest factor in holding public payments on these accounts within bearable limits was the institution of life insurance. Without these insurance moneys, the financial burden on our governments would have become unbearable and a state of chaos and financial collapse would have developed long ere this."

Quotes Walter Duranty

Looking to the future, Mr. McKinney quoted from Walter Duranty's new book which urges that capitalism look to insurance for help "instead of applying a lot of half-baked socialist nostrums which may alleviate the pain for a time but are really poison to the system." Mr. Duranty advocates a wide-spread compulsory adoption of insurance to be placed through existing companies, but under government supervision and control.

"One specific way in which governments might aid the extension of life insurance," said Mr. McKinney, "is through a lightening of the heavy burden of taxation on insurance premiums; by granting as far as possible exemptions in respect of income taxes and succession duties for life insurance benefits.

Those taking part in the discussion included:

E. J. Harvey, superintendent of agencies, North American Life, presenting report of joint committee representing companies and agents.

A. Gordon Nairn, field supervisor of the Life Underwriters Association of Canada.

J. A. McCamus, supervisor of agencies, North American Life, discussing the rating of new men.

W. C. Henderson, London Life, on gauging the quality of new members.

R. J. Wood, assistant superintendent of agencies, Imperial Life, and R. S. McDonald, superintendent, Canada Life, on the training of new men.

Kenneth P. Moore of the Manufacturers Life, and George M. Fisher on production clubs.

A. P. Earle, president of the Montreal Life, on campaigns for new members.

W. S. Penny, superintendent of agencies of the Sun Life, and W. F. Smith, general superintendent of agencies of the Continental Life, on managers' contracts.

J. M. Holcombe, Jr., manager of the Life Insurance Sales Research Bureau, on results of Canadian recruiting.

L. S. Morrison of the Life Insurance Sales Research Bureau on remuneration of new agents.

Other officers elected for 1936-37 included J. N. Cabana, La Sauvegarde, Montreal, hon. secretary-treas.; J. O. Gallow, Imperial Life, secretary. The new executive committee includes: W. S. Penny, Sun Life, Montreal; H. N. Watts, Canada Life, Toronto; R. M. Huestis, National Life, Toronto; J. A. McCamus, North American Life, Toronto; F. B. Smith, Metropolitan Life, Ottawa.

Would Put Policy Purpose On Every Life Contract

That life insurance companies should "redesign" their application forms and their policies to keep them in line with modern trends in merchandising was a suggestion made recently by B. W. Keightley advertising manager, Canadian Industries, Ltd. at the annual meeting of the Life Insurance Advertisers Association of Canada at Montreal.

Insurance vs. Tooth Paste

"Life insurance advertisers generally, I believe, regard their product as being 'different.' They do not believe that life insurance can be advertised or sold on a basis similar to tooth paste, for example. I think they are wrong. Fundamentally, any product must perform a useful service for the buyer. Tooth paste does just that, life insurance also does that.

"Whether you buy an endowment policy or a straight life policy might be compared to whether you should use a tooth paste or a tooth powder. Fundamentally, they do the same thing. They differ in detail only. Life insurance companies present their product in terms of service that life insurance will render, but right there it seems to me that their merchandising sense begins to fail.

Name Specific Purpose

"I visualize every life insurance policy being taken out for a specific purpose. I think every application form should contain a space in which the agent would write the purpose for which the policy is being taken. In other words one policy would be taken 'To provide $50 a month for Mary in case I should die.' Another policy would state 'To provide funds to send Junior to College.' Another might read, 'To provide cash at my death to discharge doctor bills, etc.' Another, 'To provide funds for my old age.'

"One of the troubles with life insurance companies is the lapsation of policies. Do you think a man would be as inclined to let his policy go if it bore right on its face a very tangible reason for its having been taken out?

Redesign Policy

"Much has been done in past years to improve package design. I don't think many life insurance companies have done anything to improve policy design. As I remember it, policies were made up according to certain legal standards and design stopped right there. Would it not be possible to design a policy which would be attractive to look at? Which would have as page one all the benefits to the insured of this policy, and save the legal part of it for way back? Obviously, right on its face would be the purpose for which it was taken out."

Country's Biggest Business

Mr. Keightley quoted figures to show that one out of every three people in Canada are protected by life insurance, which he described as the country's biggest business and with a greater stake in Canada than any other industry. "By their accumulation of small savings through life insurance premiums, policyholders have collectively become the nation's greatest permanent investors," he said.

He also analyzed life insurance disbursements to show that out of every $100 of income there was expended in respect of all assurance and annuity contracts $53.52; in general expense, $12.68; in taxes, $1.19; and in dividends to shareholders 26 cents; in other unspecified ways $4.91; leaving $27.44 to be carried to reserve.

Sask. Insurance Shows Decline

Total Shows $100 Millions Drop for Past Five Years

Life insurance figures prepared by Saskatchewan officials show total new business placed in the province for 1935 $21,366,000. A further item of $7.6 millions included additions, bonuses and revivals. The total amount at risk in the province at the end of 1935 was $295.4 millions as compared with $396 millions in 1931.

Analysis of income and disbursements shows $8.9 millions received in net contract premiums and $1.4 millions paid out in death claims. Matured endowments took $466,000 and surrender values, just over $5 millions.

Analysis of industrial business in the province in the same year showed a total at risk of $10.6 millions at the end of December and new and revived business during the year of $2.1 millions.

New group insurance placed during the year amounted to $337,856, with a total at risk at the end of the year of $13.3 millions.

Comparative figures for new business and amount at risk in the province in the past five years is shown below:

Life Insurance in Saskatchewan

	New Business	Amount at Risk Dec. 31, 1935
1931	$38,193,722	$396,108,511
1932	29,395,789	374,752,818
1933	24,788,431	336,247,073
1934	21,780,859	312,843,420
1935	21,366,030	295,426,895

HAIL LOSS $916,403

Gross premiums of $916,043 were written for hail insurance in Saskatchewan last year. Net premiums written by the 34 companies operating in the province totalled $703,495 and net premiums earned $691,803. Losses incurred amounted to $341,206, giving a ratio of losses incurred to net premiums earned of 49.32 per cent.

Obituary

George G. McCormick, president of the McCormick Biscuit Co., and son of the founder of the firm, in London, Ont. He was in his 77th year.

R. A. MacDougall, factory manager and assistant secretary of the National Cash Register Co. of Canada, at Toronto, in his forty-ninth year. He was president of the Canadian Office Equipment Manufacturers Association.

William Matheson, 69, vice-president of Fraser Companies, died at Edmundston, N. B. after two weeks illness following a stroke of paralysis. He was widely known in the lumbering industry, having served 42 years with the Fraser Companies.

Robert Kerr Houlgate, former Vancouver manager of the Yorkshire Guarantee and Securities Corp., at his home in Vancouver. He was 67.

F. W. James, well-known Chatham insurance agent and former manager of the Union Natural Gas Co. in Chatham. He was in his 69th year. Death followed injuries received in an automobile accident.

Insurance Inklings

N. S. THOMPSON of London Life who has been district manager for Nova Scotia in the company's ordinary branch has had his territory extended to cover New Brunswick. Mr. Thompson has been with London Life for eight years, having been district supervisor at Sarnia and Montreal prior to going to the Maritimes.

L. K. FILE, assistant actuary, Canada Life, has been named a member of the council of the Actuarial Society of America.

F. C. WALLS and WILLIAM MAYALL have been appointed joint managers of the North American Life agency at Hamilton, Ont.

GEORGE W. MERSEREAU has been appointed manager of a newly-opened agency No. 2 for Ontario Equitable Life at Ottawa.

C. C. HELWIG has been placed in charge of the newly-opened office of Morden & Helwig, insurance adjusters at Windsor. Head office of the firm is at Hamilton with branches at St. Catharines, London and Kitchener.

F. HATTON, North American Life, was recently named president of the Windsor Life Managers Association.

MacLean Publishing Co. Extends Group Cover

MacLean Publishing Co. recently extended its group life protection plan to cover the company's office staff. The extension (written by Metropolitan Life) was accepted by 181 employees for amounts varying from $500 to $3,000 according to salary classification.

The amount of insurance covered by the extended plan is $298,500 making a total covered for the company in both its mechanical and office staffs of $714,350.

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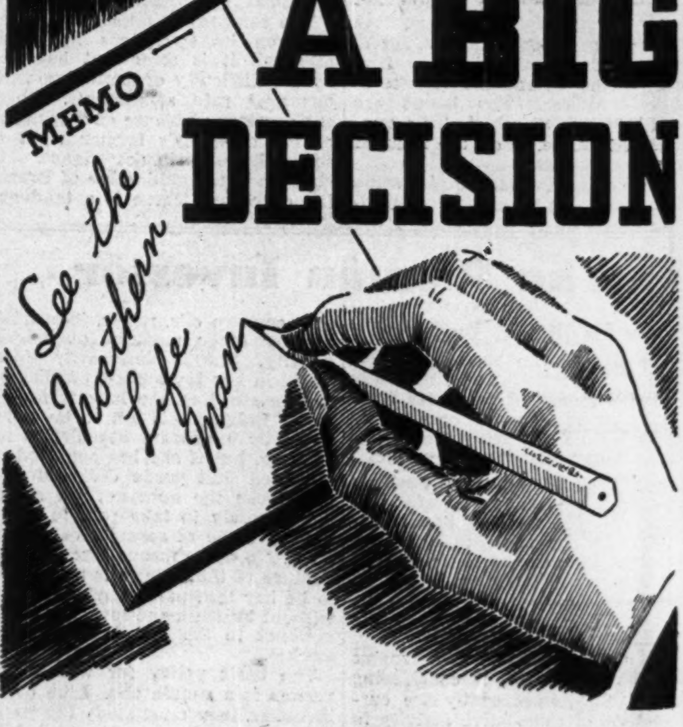
Total Assets Exceeded $117,175,000
Income for the Year Exceeded 16,231,000
Ordinary Branch New Business for 1935 Exceeded 23,549,000

THE RATIOS OF EXPENSES TO PREMIUMS
Ordinary Branch: 13.6% of Premium Income.
Industrial Branch: 31.9% of Premium Income.

RATES OF INTEREST EARNED
Ordinary Branch: 4.97%; Industrial Branch: 4.86%.

ACTUARIAL VALUATION
The actuarial valuation of the Industrial Branch assumes a future earning of interest at the rate of 2½ per cent., that is the rate actually earned is 2.36 per cent. higher than the rate assumed. In the Ordinary Branch the excess of the rate earned over the rate assumed is 1.97 per cent.

BONUSES TO POLICYHOLDERS
The rate of bonuses allotted to Ordinary Branch whole-of-life and long-term endowment policyholders has been the same for the last six years and bonuses being declared on a compound basis, where no bonuses have been surrendered for cash this means an increase in the bonus for each year. The rate on short-term endowments has been increased.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Bank Chat

More Interest Cuts

THE large trust and loan companies are planning to duplicate the reduction in interest rates effected this week by the banks. Although no definite word is available in respect to some of the smaller companies, it is understood that the cut by the big institutions will be effective from July 1. It will be a reduction of one half of one per cent, bringing the rate to an even two per cent.

Faced with conditions almost identical with those of the banks, Canadian trust and loan companies have been hard pressed to find profitable investment for their growing volume of deposits and investment certificates. Some companies adopted the policy of refusing additional new applications for debentures.

Throughout the period of declining interest yields, these companies have closely followed the interest policies maintained by the banks, keeping their rate half of one per cent above those of the major credit institutions. The new rate of 2 per cent will halve that in effect prior to 1933.

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Ontario Offices Too

NOT to be outdone by the banks and trust and loan companies, the Savings Office of the Ontario government will also cut its interest rate July 1. From that date, balances up to $10,000 will yield 2 in place of 2½ per cent, and those in excess of $10,000 will yield 1½ per cent instead of 2. Despite exceptionally low cost of money—just slightly over 3 per cent, including interest, for the last 9 months of 1935—a decrease in the rate paid by the provicial offices has been in the wind for some time. Some were of the opinion, however, that the reduction would be greater, bringing the rate into line with that of the chartered banks.

Any estimate of the effect declining yields on investments have had on the earnings of the offices is precluded by absence of an income statement. It will be recalled that last fall it was officially announced that such a statement would be presented in the budget address this year. When no mention was made in the speech, officials were of the opinion that it would be included in the printed copy of the address. Diligent search fails to indicate its presence even there, however, and The Financial Post has now been informed that no statement will be available.

Bankers would be most interested in ascertaining just how the 3 per cent cost figure is achieved.

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Personal Loans

THE cut in the interest rate on personal loans from 6 to 4 per cent by the National City Bank of New York recently is said to have effected the lowest rate for this type of credit in the world.

Such a reduction, however, would not be feasible for the Canadian banks. Those who advocate some such action—and there are surprisingly many—overlook a number of differences when comparing the United States' and Canadian banks. Perhaps most important is that between 85 and 90 per cent of deposits in the New York banks bear no interest. In Canada, despite discontinuance of interest on current accounts at the beginning of this year, payments are made on more than two thirds of total public deposits.

Another important distinction which should be borne in mind is that it is common practice with many American banks to require that 20 per cent of a loan be left on deposit, this deposit not bearing interest.

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Delay in Coins

THE New Yorker runs an interesting, if perhaps fanciful, story anent Britain's coinage. Referring to the age-old tradition that successive rulers face in opposite directions, it claims to have received inside information in respect to a delay in minting the coins bearing the likeness of King Edward VIII.

According to the tradition, the new king should face right, showing his right profile. But King Edward parts his hair on the left and, somewhat naturally, prefers the left view. According to the story, when His Majesty was informed that he was breaking a custom dating back for many generations, he cryptically replied: "Why shouldn't I?"

Appearance of the new coins will be awaited expectantly to see the outcome of the "rift." Meanwhile some suggest that it is all a matter of splitting hairs.

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$18 Millions Overdrawn

QUEBEC'S provincial government had a bank overdraft of $18,055,359 at one period of the twelve months ended April 21, 1936, it is revealed in answer to questions tabled in the Quebec legislature.

Between April 24, 1935, and April 21, 1936, Quebec's average bank overdraft was $7,115,627. The province was overdrawn 363 days, or the entire period covered by questions asked in the legislative assembly.

To carry the overdraft, Quebec had to pay $236,593 in interest, at the rate of 4 per cent per annum from April 24, 1935, to June 17, 1935, and 3¾ per cent from June 17, 1935, to April 21, 1936.

The figures are enlightening as an indication of the extent to which provincial authorities must rely upon chartered bank credit accommodation. Meanwhile, in New Brunswick and Alberta, plans of the provincial government envisage new sources of provincial loan accommodation, through creation of loan and deposit offices.

Deposits Soar in April, Slight Upturn in Loans

Credit Index Drops for Fifth Consecutive Month — Foresee Some Relief from Flow of Deposits

Mute evidence as to the cause of the interest rate reduction effected by the Canadian chartered banks this week is afforded by the composite April statement to the minister of finance.

Public deposits in Canada soared almost $57 millions during the month, loans were up slightly, reversing the trend of previous months, and investments eased a little, the last two items reversing the trend of recent months. In the past two months, there has been an increase in Canadian deposits of just about $107 millions. The difficulty of placing these additional funds is seen in a net loss in loans during that period of $2.7 millions, and a gain of $49 millions in investments.

Yield on Securities Small

It is true that most of the additional funds are demand deposits and that, consequently no interest must be paid on them. Nevertheless, when it is considered that the yield on short term government securities is less than the 2 per cent paid as interest on savings up until June 1—apart altogether from operating and overhead charges—the predicament of the banks may be clearly visualized. With the loan market still very hesitant, investment of an exceptionally large volume of funds in securities might well have the effect of driving still lower the return from investments on which the banks have become so dependent.

Observers are inclined to believe that a measure of relief from the rather overwhelming inflow of deposits may be effected by the Dominion government's refinancing project, announced this week. It is felt that funds now on deposit may be invested in the new debenture issue, although only $20 millions of the offering will be for cash.

Credit at New Low

As a result of the month's developments, The Financial Post credit index, based on the percentage of call and current loans in Canada to Canadian public deposits, declined for the fifth consecutive month. After a prolonged six-year decline, the index once more has dipped to a new low.

Significant factors indicating the use of bank credit in Canada compare as follows:

Use of Bank Credit in Canada
(In millions of dollars)

	April 1936	March 1936	Ch.	April 1935	Ch.
	$	$	$	$	$
Loans	944.7	940.9	+ 3.8	1,061.9	—117.2
Inv'ts.	1,314.2	1,315.5	— 1.3	1,000.4	+313.8
Total	2,258.9	2,256.4	+ 2.5	2,062.3	+196.6
Depos.	2,157.9	2,101.1	+56.8	2,033.6	+124.3

Despite the deposit increase in Canada, gross liabilities showed an advance of only $11 millions for the month. Offsetting items were a sharp decrease of $22 millions in foreign deposits and halving of Dominion balances to $27 millions.

The slight upturn in loans is encouraging, but the increase is due to larger advances to municipalities and to more active security markets entailing more loans on call. Current loans, chiefly commercial in character, dropped $7 millions.

ASSETS

	April, 1936	March, 1936	Change	April, 1935	Change
	$	$	$	$	$
Immediately Available Liquid Assets					
Canadian coin	5,907,041	5,991,759	—84,718	6,647,485	—740,444
Bk. of Can. notes	34,795,698	32,550,266	+2,245,432	43,469,063	—8,673,365
Bk. of Can. deposits	187,446,603	188,202,912	—756,309	163,714,390	+23,732,213
Bank's cash	228,149,342	226,744,937	+1,404,405	213,830,938	+14,318,404
Other bank notes	5,605,578	7,008,273	—1,402,695	7,186,892	—1,581,314
Gold & sub. coin ab'd	11,188,523	10,231,839	+956,684	9,186,912	+2,001,611
Foreign banks	117,150,057	124,438,406	—7,288,349	96,350,366	+20,799,691
Foreign curr.	22,165,738	22,413,880	—248,142	20,521,972	+1,643,766
Gov. sec. short term	485,535,645	485,253,136	+282,509	435,271,396	+50,264,249
Do., long term	591,899,817	585,339,230	+6,560,587	390,425,451	+201,474,366
Call loans abroad	66,000,291	69,472,594	—3,472,303	76,999,128	—10,998,837
	1,527,694,991	1,530,902,295	—3,207,304	1,249,773,055	+277,921,936
Loans and Securities Other Than Those of Canadian Government					
Municipal secs.	114,056,087	106,748,565	+7,307,522	95,202,136	+18,853,951
Public secs.†	49,224,813	53,122,096	—3,897,283	40,483,557	+8,741,256
Other secs.	73,512,097	84,996,702	—11,484,605	39,026,220	+34,485,877
Can. call loans	83,435,789	76,920,514	+6,515,275	81,333,299	+2,102,490
Current loans	725,484,153	732,657,582	—7,173,429	823,135,289	—97,651,136
Loans abroad	142,072,852	140,357,521	+1,715,331	144,330,881	—2,258,029
Prov. loans	24,357,614	24,943,195	—585,581	29,648,153	—5,290,539
Mun. loans	111,720,073	106,345,727	+5,374,346	127,837,970	—16,117,897
	1,323,863,478	1,326,091,902	—2,228,424	1,380,997,505	—57,134,027
Other Assets					
Non-curr. loans	13,732,068	13,709,619	+22,449	14,482,465	—750,397
Real estate	8,680,968	8,698,763	—17,795	7,994,682	+686,286
Mortgages	5,357,189	5,318,089	+39,100	5,520,907	—163,718
Premises	75,600,673	75,806,717	—206,044	77,402,175	—1,801,502
Letters of credit	61,904,737	61,318,860	+585,877	52,463,614	+9,441,123
Loans to comp.	10,532,199	10,598,111	—65,912	13,274,823	—2,742,324
Other assets	2,118,801	2,019,826	+98,975	2,780,023	—661,222
	177,926,635	177,469,985	+456,650	173,918,689	+4,007,946
Total	3,029,485,104	3,034,464,182	—4,979,078	2,804,689,249	+224,795,855
Note circ. dep.	6,889,857	6,886,788	+3,069	6,727,010	+162,847
Int. bank bal.	117,213,555	101,695,378	+15,518,177	117,184,802	+28,753
Gross	3,153,588,516	3,143,046,348	+10,542,168	2,928,601,061	+224,987,455

LIABILITIES

	April, 1936	March, 1936	Change	April, 1935	Change
To the Public					
Circulation	120,015,322	123,665,982	—3,650,660	121,419,937	—1,404,615
Dom. Govt.	28,042,104	55,501,237	—27,459,133	15,136,688	+12,905,416
Prov. Govt.	42,562,774	40,141,423	+2,421,351	37,059,966	+5,502,808
Deposits by Public					
Demand dep.	621,827,383	568,918,406	+52,908,977	581,864,422	+39,962,961
Savings dep.	1,536,100,556	1,532,157,747	+3,942,809	1,451,711,330	+84,389,226
Total	2,157,927,939	2,101,076,153	+56,851,786	2,033,575,752	+124,352,187
Foreign dep.	391,936,599	414,367,961	—22,431,362	328,411,169	+63,525,430
Due to Banks Abroad, Etc.					
United Kingdom	8,202,906	9,064,476	—861,570	6,615,320	+1,587,586
Foreign	29,929,606	30,484,536	—554,930	24,805,397	+5,124,209
Bills payable	692,613	1,107,850	—415,237	726,140	—33,527
Letters of credit	61,904,737	61,318,860	+585,877	52,463,614	+9,441,123
Other liabs.	2,668,870	2,759,331	—90,461	2,387,549	+281,321
Total public liab.	2,843,883,470	2,839,487,809	+4,395,661	2,622,601,532	+221,281,938
Due bet. banks	17,922,452	13,075,452	+4,847,000	13,615,062	+4,307,390
Liability to Shareholders					
Dividends	2,542,619	804,442	+1,738,177	1,846,854	+695,765
Reserve	132,750,000	132,750,000	....	132,750,000	....
Capital	145,500,000	145,500,000	....	145,500,000	....
Gross	3,142,598,541	3,131,617,703	+10,980,838	2,916,313,448	+226,285,093
Credit index	37.4%	38.5%	—1.1%	44.4%	—7.0%

†Other than Canadian.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, follows:

Sweden — The pace of strong economic revival has slackened to some extent but the outlook for further improvement is good.

Finland—Business and financial conditions are generally good, and the foreign trade shows gains in both branches.

Latvia—Industries were slightly less active in the first quarter of this year than in the preceding quarter, and adverse weather has made crop prospects mediocre.

Greece—The general position of industry, agriculture, and shipping remains good, although improvement was checked in the first quarter by political uncertainties.

Poland—Budget receipts and expenditures in the fiscal year ended March 31 were somewhat below estimates, with the deficit slightly higher than anticipated.

Austria — Business progress was maintained through the first quarter, but the political situation has clouded the outlook.

Hungary—The usual seasonal decline has been absent in many branches of industry this year.

Belgium—Many of the gains made during 1935 have been maintained but development in textiles and metallurgy have recently become more adverse.

Australia—Commerce and industry remain bouyant and higher agricultural prices have improved rural buying power.

Japan—Commodity prices fell during the past week, with the silk market irregular and weak.

China—The demand from the interior for import commodities at Shanghai is subnormal; recent developments in North Manchurian agriculture have been promising.

Bank Debits Show Advance

Up 3.8 Per Cent After Seasonal Adjustment

Bank debits to individual accounts during April amounted to $2,774 millions, up $175 millions over the previous month's total. After allowance for seasonal trend, this represents a percentage gain of 3.8.

The marked increase in cashing of cheques is attributed to more active business and to speculative activity. The Prairies in particular reflected heightened activity, the increase over the preceding month being 22.6 per cent. Other areas also reported improvement, with the exception of Ontario which experienced a 3.5 per cent decline due to a less favorable showing in Toronto.

Up From 1935

Compared with April, 1935, debits registered an increase of 17 per cent. All areas recorded advances ranging from 41.4 per cent in Quebec to 2.4 per cent in the Prairies.

For the first four months of the year there is a gain of almost 19 per cent, with 27 of the 32 clearing house centres reporting higher totals than in the same period in 1935. Increases by areas are as follows: Maritimes, 15.8 per cent; Quebec, almost 27 per cent; Ontario, 9 per cent; Prairies, more than 30 per cent; and British Columbia, nearly 28 per cent.

Debits to Individual Accounts

	April, 1936	April, 1935
Maritime Provinces	$	$
Halifax	24,197,755	22,463,448
Moncton	8,125,136	6,799,679
Saint John	15,485,206	13,175,723
Total—Maritime Provinces	47,808,097	42,438,850
Quebec		
Montreal	878,810,581	609,642,709
Quebec	42,883,378	41,155,607
Sherbrooke	5,322,305	4,702,777
Total—Quebec	927,016,264	655,501,093
Ontario		
Brantford	7,960,889	7,459,089
Chatham	7,409,847	5,387,284
Fort William	3,684,448	3,851,336
Hamilton	48,394,337	41,509,672
Kingston	4,770,024	4,124,645
Kitchener	10,575,659	8,606,801
London	31,699,297	27,357,808
Ottawa	123,655,391	108,030,494
Peterborough	5,150,956	4,713,733
Sarnia	5,918,510	4,752,873
Sudbury	5,462,757	4,325,755
Toronto	843,273,143	800,345,579
Windsor	35,655,353	22,312,366
Total—Ontario	1,133,610,611	1,042,777,415
Prairie Provinces		
Brandon	2,093,605	2,133,956
Calgary	47,702,264	49,805,996
Edmonton	33,767,781	43,101,676
Lethbridge	3,671,591	3,504,537
Medicine Hat	2,495,303	1,868,758
Moose Jaw	4,150,875	3,566,436
Prince Albert	2,902,147	2,213,886
Regina	29,714,295	31,455,825
Saskatoon	8,822,207	8,751,837
Winnipeg	362,958,917	339,539,547
Total—Prairie Provinces	497,378,985	485,942,454
British Columbia		
New Westminster	5,611,383	4,588,058
Vancouver	140,684,502	114,231,075
Victoria	21,646,438	21,246,364
Total—B. C.	167,942,323	140,065,497
Total for Canada	2,773,756,280	2,366,725,309

Banks Cut Interest On Grain Loans

Placed on Competitive Basis With U. S. Funds

Following the reduction in interest rates on savings deposits, Canadian banks have reduced their standard rates on grain borrowings to 5 per cent on country stocks, and 4½ per cent on grain covered by terminal warehouse receipts.

The difference between country and terminal rates will, it is hoped, enable the Canadian banks to compete more satisfactorily with United States funds which lately have been offered in considerable volume on grain stored in terminal elevators. It represents a change which has been under discussion for some time. Fixed quantities of definite grades of grain in terminal elevators certified as to weight and grade by the Board of Grain Commissioners, and available for immediate sale, are recognized as a higher type of security than grain, not officially graded, in store in country elevators with only the elevator company's records to certify to weight and probable quality.

U. S. Money to Terminal Grain

United States banks have been offering to lend only on grain covered by terminal warehouse receipts, and have not attempted to invade the country field. Their going rates have been lower than the new rates of Canadian banks, but a strict comparison is difficult, because of different requirements respecting the employment of free balances. In addition the borrower, who must depend on the Canadian bank for loans on his country stocks, will naturally desire to keep all his borrowings in one channel if possible.

Monthly Bank Clearings

	May 1935	May 1936
Halifax	$ 10,054,659	$ 10,035,834
Saint John	7,864,749	7,742,637
Moncton	2,910,796	3,020,806
Sherbrooke	2,448,962	2,585,507
Quebec	16,427,890	18,210,768
Montreal	402,393,824	440,365,457
Ottawa	161,836,590	133,415,677
Kingston	2,284,310	2,369,394
Peterborough	2,725,099	2,630,903
Toronto	559,668,057	523,312,559
Hamilton	16,823,832	19,007,870
Kitchener	4,833,002	4,616,292
Brantford	3,425,209	4,031,890
London	11,770,252	12,429,516
Windsor	10,542,365	12,919,665
Sarnia	1,989,829	2,070,050
Sudbury	3,283,170	3,955,913
Fort William	2,681,109	4,447,093
Winnipeg	283,532,048	261,122,157
Brandon	1,275,211	1,253,714
Regina	14,282,188	18,146,982
Moose Jaw	2,046,945	2,366,340
Saskatoon	6,286,379	6,159,537
Prince Albert	1,433,458	1,472,186
Edmonton	18,973,285	16,199,274
Calgary	22,544,254	28,259,721
Medicine Hat	394,297	1,000,249
Lethbridge	1,795,733	1,863,984
New Westminster	2,323,657	2,617,142
Vancouver	65,790,618	74,931,474
Victoria	6,721,949	6,978,515

Staff Changes

The Royal Bank has made the following changes in staff:

A. L. LESLIE, formerly acting manager at Runnymede & Bloor, Toronto, to be manager at College & Bathurst, Toronto.

J. A. P. TESSIER, formerly accountant at Papineau Ave., Montreal, to be manager at LaSalle.

G. V. S. SHARPE, formerly manager at New Amsterdam, to be assistant manager at Georgetown, B.G.

Bank of Canada Weekly Statement

Changes in the Bank of Canada statement during the week ended May 27 were small and of relatively little significance.

Balance Sheet

	May 27	May 20
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Notes in circ.	93,169,413	91,834,162
Rest fund	173,092	173,092
Dep. Dominion	27,803,899	27,352,418
Banks	183,639,301	186,462,275
Other	869,050	1,084,086
Total deposits	212,312,250	214,898,779
All other liabs.	1,639,272	2,032,133
Total liabs.	312,294,027	313,938,166
Assets		
Reserve: Gold	179,788,359	179,978,364
Silver bullion	1,682,678	1,682,678
Res. in sterling	1,222,923	1,719,659
Res. in U. S.	13,370,176	13,194,117
Res. elsewhere	6,432	6,437
Total reserve	196,070,568	196,581,255
Subsidiary coin	322,756	329,774
Advances	2,000,000	2,000,000
Investments:		
Dom. govt. short	30,580,905	31,650,026
Other Dom. govt.	80,270,059	80,520,642
Total invest.	110,850,964	112,170,568
Premises	208,522	208,522
All other assets	2,841,217	2,648,046
Total assets	312,294,027	313,938,166
Reserve ratio	64.18%	64.08%

TRADE WITH GREAT BRITAIN
The ramifications of the Royal Bank of Scotland throughout Great Britain and the entire World enable it to handle every description of British Empire and Foreign Banking business.
Head Office:
EDINBURGH
254 Branches in All
LONDON:
Chief City Office:
3 Bishopsgate, E. C. 2
ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Capital (fully paid) £ 3,780,192
Reserve Fund £ 3,857,143
Deposits £64,009,174
Associated Bank:
Williams Deacon's Bank Ltd.
(Members of the London Bankers' Clearing House)

AUSTRALIA and NEW ZEALAND.
BANK OF NEW SOUTH WALES
(ESTABLISHED 1817)
(With which are amalgamated the Western Australian Bank & The Australian Bank of Commerce Ltd.)
Paid-up Capital £8,780,000
Reserve Fund 6,150,000
Reserve Liability of Proprietors 8,780,000
£23,710,000
Aggregate Assets 30th Sept., 1935 £115,559,000
A. C. DAVIDSON, General Manager.
747 BRANCHES and AGENCIES in the Australian States, New Zealand, Fiji, Papua, Mandated Territory of New Guinea, and London. The Bank transacts every description of Australasian Banking Business. Wool and other Produce Credits arranged.
Head Office: GEORGE STREET, SYDNEY.
London Office: 29, THREADNEEDLE STREET, E.C. 2.
Agents: Bank of Montreal; Royal Bank of Canada; Imperial Bank of Canada; Canadian Bank of Commerce.

Canadians Going to the Olympics
require
German "Travel Marks"

The visitor to Germany must be provided with cash in the form of "Travel Marks" to gain the special exchange concession allowed visitors.

"Travel Marks" are authorized by the German Government to encourage tourists to Germany and may be used only for the daily expenses. They offer Canadians a very great saving in their expenses.

Apply immediately to a branch of this Bank for the amount in German funds you expect to require. You may pay at once at the extremely favourable rate now quoted. Or you may wait till ready to leave, and pay at the rate of exchange then prevailing.

"Travel Marks" not obtainable in Germany

IMPERIAL BANK OF CANADA
Branches throughout Canada
139

NEW Canadian BUTT JOINT

Canadian WOOD PIPE

WIRE-WOUND PIPE—Fitted with double steel or wood coupling, wire-wound or banded. Supplied in up to 24" diameter.
CONTINUOUS WOOD STAVE—Supplied in up to 24" diameter. Interlocking Butt Joint leak-proof, frost-proof, and without metal to rust or corrode.

Canadian Wood Pipe & Tanks
Limited
550 Pacific Street Vancouver, B.C.
30 YEARS IN BUSINESS

Position of Chartered Banks of Canada as of April 30, 1936, Shown by Monthly Returns to Minister of Finance

LIABILITIES

NAME OF BANK	Notes in Circulation	Deposits by and Bal. Due to Dominion Government	Deposits by and Bal. Due to Provincial Governments	Advances from Bank of Canada	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere▲	Bal. Due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal	29,846,245	18,169,513	7,266,622	....	175,231,331	420,990,143	67,583,927	2,769,036	2,354,125	4,480,850	143,204	6,711,454	1,935,654	728,390	38,000,000	36,000,000	812,210,512
Nova Scotia	10,067,595	1,931,469	1,421,128	....	36,648,032	147,635,629	41,556,686	3,461,633	202,868	2,169,439	107,503	7,939,483	122,792	10,703	24,000,000	12,000,000	289,274,965
Toronto	4,537,955	821,318	1,643,138	....	30,634,714	74,008,653	520,647	1,389,962	204,829	1,808,636	99,050	2,107,703	....	150,668	9,000,000	6,000,000	132,927,277
Provinciale	3,414,608	87,566	55,370	....	5,868,694	36,446,493	159,622	600	....	62,699	....	55,767	1,769	4,682	1,000,000	4,000,000	51,157,875
Commerce	24,235,718	1,759,604	12,285,307	....	127,852,534	303,461,903	62,876,984	2,702,195	1,129,984	7,039,608	4,920	17,003,570	....	607,246	20,000,000	30,000,000	610,960,576
Royal	31,052,133	2,889,683	13,114,701	....	157,634,380	300,692,133	211,468,878	630,473	627,583	10,522,155	337,936	20,927,287	52,471	716,315	20,000,000	35,000,000	805,666,133
Dominion	5,964,364	581,524	1,541,689	....	30,559,352	72,666,439	3,822,306	4,900,878	189,226	446,785	....	4,192,788	400,580	3,445	7,000,000	7,000,000	139,269,381
Nationale	4,315,894	622,943	1,193,099	....	25,468,692	89,642,366	1,467,738	700,693	34,959	344,858	....	454,725	155,553	145,400	5,000,000	7,000,000	136,546,926
Imperial	6,308,195	1,098,248	4,041,631	....	30,227,225	67,069,047	129,490	914,136	479,576	1,552,031	....	1,380,049	....	175,770	8,000,000	7,000,000	148,375,403
Barclays (Canada)	271,615	80,236	79	....	1,702,429	3,487,750	2,350,321	452,846	2,979,756	1,502,545	....	1,131,911	....	....	750,000	1,500,000	16,209,493
Total	120,015,322	28,042,104	42,562,774	....	621,827,383	1,536,100,556	391,926,599	17,922,452	8,202,906	29,929,606	692,613	61,904,737	2,668,819	2,542,619	132,750,000	145,500,000	3,142,598,541

SUPPLEMENTARY INFORMATION

NAME OF BANK	Capital Authorized	Capital Subscribed	Last Dividend	*Loans to Directors and firms of which they are partners	Average Notes and deposits with Bank of Can.	Greatest amount of Notes in Circ.
	$	$	%	$	$	$
Montreal	50,000,000	36,000,000	8	988,511	60,799,388	31,270,482
Nova Scotia	15,000,000	12,000,000	12	2,059,920	23,695,334	10,891,084
Toronto	10,000,000	6,000,000	10	1,000,936	9,772,743	5,316,900
Provinciale	5,000,000	4,000,000	6	730,605	2,613,131	3,742,732
Commerce	50,000,000	30,000,000	8	3,703,077	47,655,191	26,234,996
Royal	50,000,000	35,000,000	8	1,811,965	45,995,476	32,940,683
Dominion	10,000,000	7,000,000	10	993,247	10,578,927	6,574,019
Nationale	10,000,000	7,000,000	8	314,038	9,726,815	4,867,829
Imperial	10,000,000	7,000,000	10	504,890	8,739,528	6,380,470
Barclays (Canada)	1,500,000	1,500,000	....	....	510,348	293,630
Total	211,500,000	145,500,000	....	12,107,189	220,086,881	128,512,825

▲ Of this amount, $33,913,972 represents deposits in Canada in currencies other than Canadian, formerly carried under demand and savings deposits in Canada.

* And loans for which they are guarantors.

ASSETS

NAME OF BANK	Gold and Subsidiary Coin Held in Canada	Gold and Subsidiary Coin Held Elsewhere	Notes of Bank of Canada	Deposits with Bank of Canada	Notes of Other Banks	Govt. and Bank Notes other than Canada	Cheques on other banks	Balances due from other banks in Canada	Due by banks in U.K.	Due by banks elsewhere	Govt. sec. short term	Govt. sec. long term	Canadian municipal securities	Public sec. other than Can.	Other bonds and stocks
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	1,490,146	769,347	11,362,713	51,118,391	1,462,777	454,001	31,618,945	2,835	5,250,316	20,623,618	210,127,743	161,857,329	36,445,569	5,869,744	10,007,017
Nova Scotia	359,977	2,277,923	2,763,646	12,643,709	413,559	3,221,930	9,610,237	1	461,549	8,398,078	43,163,555	59,016,515	13,201,554	933,499	10,951,201
Toronto	245,908	....	1,415,830	11,068,403	289,500	56,808	6,680,239	....	1,636,802	2,282,974	5,611,777	42,934,827	4,648,550	36,721	2,032,578
Provinciale	220,060	....	849,664	1,821,343	205,325	36,574	1,851,773	1,607,726	3,323	100,572	2,441,426	9,155,147	9,608,898	....	3,164,174
Commerce†	867,927	313,185	3,728,752	50,542,735	893,235	946,198	19,911,825	22,271	771,339	16,267,691	69,656,637	127,014,850	10,316,363	27,592,179	16,774,926
Royal‡	1,531,030	7,826,506	5,318,776	40,718,705	1,193,072	17,246,314	25,704,998	600	18,120,001	31,708,887	113,519,193	112,075,443	8,712,737	13,187,651	18,957,750
Dominion	294,720	678	1,826,711	9,257,350	366,080	63,243	5,762,925	445	319,833	1,483,076	17,449,004	21,832,246	5,596,385	1,255,545	3,495,498
Nationale§	487,482	884	3,024,324	5,338,710	431,265	71,173	4,109,770	809,891	165,860	1,510,717	15,388,461	19,713,237	20,651,560	349,474	7,801,348
Imperial	407,146	....	4,429,359	4,597,418	341,485	64,419	7,024,123	615,782	898,392	1,898,227	7,062,903	34,706,267	4,739,208	....	262,630
Barclays (Can.)	2,645	....	75,873	339,839	9,280	5,078	267,102	1,612,067	4,202,092	1,046,620	1,109,946	3,593,956	135,263	....	4,975
Total	5,907,041	11,188,523	34,795,698	187,446,603	5,605,578	22,165,738	112,541,937	4,671,618	31,829,597	85,320,460	485,535,645	591,899,817	114,056,087	49,224,813	73,512,097

NAME OF BANK	Call loans in Canada	Call loans elsewhere	Current loans in Canada	Current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Deposit for note circulation	Other assets	Total assets▲
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	7,336,485	26,906,034	148,809,765	7,985,023	7,964,158	39,066,972	3,468,168	680,435	885,153	14,300,000	1,686,426	468,458	814,729,038
Nova Scotia	6,759,145	3,075,520	70,700,309	14,619,492	279,650	8,021,798	855,250	....	100,667	6,963,825	571,181	2,774,723	290,082,889
Toronto	3,845,606	....	38,291,393	....	....	6,241,534	297,474	....	40,409	3,566,810	335,033	....	133,737,027
Provinciale	4,290,565	....	11,543,443	....	....	948,384	122,224	662,159	366,621	2,092,993	200,000	119,377	51,467,850
Commerce†	20,277,134	16,301,444	133,505,798	16,711,257	6,897,702	28,571,833	3,888,090	2,493,084	2,283,934	14,402,338	1,375,000	3,959,561	613,220,872
Royal‡	20,466,467	15,117,969	192,085,988	102,399,945	453,711	10,231,822	3,905,487	3,000,289	826,823	15,862,498	1,800,000	4,763,651	807,463,515
Dominion	8,286,447	4,599,324	44,059,582	292,169	....	2,703,653	377,646	85,637	43,314	5,847,926	347,624	183,694	140,023,590
Nationale§	5,091,986	....	32,390,813	64,966	3,057,192	7,495,624	342,400	1,495,072	403,078	6,115,265	380,506	235,110	137,380,905
Imperial	5,956,814	....	53,019,865	....	5,705,201	8,438,453	464,150	264,292	407,190	5,999,018	477,391	116,300	149,276,096
Barclays (Can.)	1,125,140	....	1,077,297	....	....	....	11,179	....	....	450,000	16,696	....	16,316,968
Total	83,435,789	66,000,291	725,484,153	142,072,852	24,357,614	111,720,073	13,732,068	8,680,968	5,357,189	75,600,673	6,889,857	12,650,876	3,153,588,516

* The business of the Bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

† The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡ The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§ The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return. — Footnote to Banque Canadienne Nationale return.

▲ Total assets include $61,904,737 letters of credit outstanding as shown in liabilities.

In The Construction World

Government Expansion

IN THE last five years the Dominion Government has expanded considerably its office space. Hardly an important city in Canada has not seen a new federal building of some kind erected. In many cases these structures have resulted in a new concentration of former government offices, separate branches being removed from private or older government buildings and housed in the new quarters. This development in construction, while primarily intended for the purpose of providing relief employment, has also been designed to accommodate the almost continuous growth in the federal civil service.

But Canada's development in this regard is small indeed compared with Washington's splurge. Employees of that government, it is estimated, are now occupying over 14.5 millions of square feet of office space, or the equivalent of 19 of New York's leading skyscrapers. This is practically all concentrated in and about Washington itself. And the movement continues. The new Social Security Board, it is estimated, will soon need new office space equal to a 24-story skyscraper, and by the end of 1937 it is expected that three or four similar additions will have to be made.

* * *

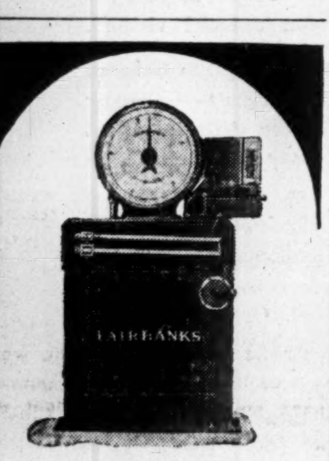
Factory Building Next?

THE way is being gradually paved for considerable new industrial building and plant expansion work in United States, according to The Financial World. Groundwork for such development, which would be of vital importance to construction companies, bears a remarkable similarity to the situation prevailing in Canada at the present time. A warning is issued, however, that a vast expansion of this type of building need not be expected immediately.

"Since it is widely recognized that the customers of the important durable goods industries must have access to additional capital for plant and property expansion," states The World, "the experiences of recent flotations have been rather disappointing. But even though it is granted that industry has been evidently reluctant up to the present time to attempt major expansion programmes, there are certain elements of encouragement in the picture which seem rather insignificant."

Most of the recent financing operations of the big industrial companies, it is pointed out, have been of a straight refunding nature. This was followed closely by issues of convertible bonds. But lately some new money has been raised and, given continuous favorable market conditions, it is stated that the long-awaited reopening of the capital market may not be long removed.

There is a Canadian bearing, too, in most of the nine stocks selected by The Financial World as those which, in its opinion, would chiefly benefit by a revival in the heavy industries. These are closely allied with Canada. They cover the manufacture of gypsum, steel, cement, paint, factory and railroad equipment, and the production of base metals.



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May Building Is Up 50 P.C. On April Total

But Aggregate to Date Still Behind Last Year

Value of construction contracts awarded for May for all Canada amounted to almost $15 millions, according to MacLean Building Reports. This was up over 50 per cent from the previous month but is a decline of about $1.3 millions from May, 1935. However, in residential construction there was a small improvement over the same month a year ago.

The total value of contracts awarded for five months to date is almost $57 millions or slightly less than for the corresponding period in 1935. It is pointed out however, that in 1935 an extensive programme of public works was being carried on by the federal government which is lacking so far in the present season.

Provinces Fluctuate

Ontario figures for the year to date show a decline from $29.9 millions in 1935 to $24.1 millions in value but the number of jobs, 2,933 in 1936, is practically the same as the 1935 total of 2,916. This indicates a decided increase in the number of private projects. Quebec, on the other hand, has a total of 1,598 jobs amounting to almost $18 millions for 1936 as compared with 2,176 jobs in 1935 totalling $9.3 millions, an increase in value of over 100 per cent.

The other provinces show similar variations for the year to date. Nova Scotia increased from $1.9 millions to $3.4 millions. Alberta increased from $2.4 millions to $3.7 millions; New Brunswick declined from $2.1 millions to under a million; British Columbia declined from $6.1 millions to $4 millions; Saskatchewan declined from $1.3 millions to $679,700; and Manitoba declined from $3.6 millions to $2.2 millons.

Lumber Cost Has Big Rise

Cost of building materials has been moving up from the low prices ruling during the depths of the depression. Especially does this seem true of those products where little manufacturing is involved. Thus lumber, while only fractionally higher than a few months ago, is at very considerably higher levels than last year. Recent firmness is attributed to better domestic and United States trade, rather than overseas shipments.

Details of three leading species as supplied by the Dominion Bureau of Statistics and compared with a basis of 100 in 1926, are as follows:

	April, 1936	March, 1936	April, 1935
White pine	91.0	91.0	86.9
Spruce	74.0	72.1	71.0
Fir	94.6	94.2	77.2
Cedar	92.3	92.3	68.2

STEEL STRUCTURES
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See Canadian Newsprint Ousted From Big United States Market

Southern Pine to Capture Complete Field, Claim Experimenters

By GORDON L. SMITH

IS THIS TO VANISH?

Here is newsprint in the raw at a Canadian mill. Piles of wood such as this may vanish if the use of southern pine becomes feasible for U. S. manufacturers.

Canadian newsprint production last year reached a new record of 2,735,000 tons. Dozens of big mills scattered all through the forest country in eastern Canada and British Columbia, employing nearly 25,000 men, contributed. Over two-thirds of this or more than 50 per cent of the total American consumption went to United States. Valued at close to $80 millions per year even at present low prices, this constitutes the second largest export item of the Dominion.

Unnecessary?

Now a group of research workers in the southern United States maintain that all this trade is unnecessary.

They go farther and predict that their country will be supplying practically all of its own newsprint requirements within five years. This they say can and will be done and without the aid of tariff or other government subvention. Southern slash pine, they say, is the answer.

This comparatively quick-growing species is scattered in a wide coastal belt which stretches from the southern part of North Carolina down south through northern Florida and then straight west well into the lowest part of Texas. Within that area, it is claimed, is sufficient growth to provide paper for more than double Uncle Sam's requirements of daily, weekly and monthly news with the advertisements and Sunday supplements thrown in. And if one is to believe the whole assertion, such production is possible continuously.

Slash Pine the Answer

Briefly that is the story told by Dr. Chas. H. Herty, director, Pulp and Paper Laboratory, Savannah, Georgia. Supported by the U. S. Chemical Foundation, Dr. Herty has been conducting experiments with southern pine for a number of years and now with an experimental mill in actual operation, he at least is convinced that the time is ready for commercial exploitation.

Nothing has been done in this connection yet, though many millions have been spent on experiment and surveys. Strangely enough even Canada has contributed, pulpwood from the south being brought up to Thorold, Ont., to be manufactured, as an experiment, into newsprint. On the resulting product an issue of the Atlanta Journal was published. An association strongly supported by certain publishing interests in the United States, but so far not including Hearst, is reported to be behind the project.

Big Area Available

Dr. Herty maintains that surveys have shown that there are approximately 18 million acres of this southern slash pine in the areas mentioned. This block, he said, with proper safeguards against ground fires is capable of producing indefinitely a cord of pulpwood per acre per year from natural growth and could easily be expanded by proper methods of forest conservation. United States consumption he estimates at 12 million cords annually. Paper as good as this from Canadian pulp, he says, can be produced, and for $10 per ton less than the present cost in Canadian mills.

He admits that during the early years of the proposed commercial exploitation of this new source of newsprint it would be necessary to bring in some skilled operators, but that there is already sufficient unskilled labor available.

Everything at Hand

Existing stands of timber, he argues, are sufficiently close to permit the establishment of mills of 300 tons daily capacity. Water is abundant and the area is more favorably situated in regard to shipping facilities than are Northern Ontario and Quebec. There is no large supply of hydro-electricity, but Dr. Herty says that coal, gas and oil, in and close to the forest areas would make development of power feasible and eventually as cheap as is the case in Canada. Cutting could be carried on 365 days in the year.

Profit at $40

I was assured that newsprint from Southern Pine could be laid down in New York at present prices and leave a profit to pay full interest on the investment in mills, forest reserves and equipment.

"In other words," he said, "while $40 newsprint means bankruptcy to most of your Canadian mills in the South we could easily break even."

Production conversion costs, aside from overhead, as based on a unit of 150 tons per day, are figured by Dr. Herty as follows:

Conversion Costs	
Wood (1.15 cords rough at $4.00)	$4.60
Labor (including administration)	5.08
Steam	1.50
Power	4.00
Sulphur	.60
Limestone	.10
Clay	.04
Color	.06
Alum	.10
Wrapper	.30
Pulpstones	.20
Felts	.60
Wires	.25
Belting	.10
Oils	.08
Finishing	.50
Repair material	.50
Miscellaneous material	.15
Liability insurance	.15
Teaming	.15
Total Conversion Cost	$19.06

And Dr. Herty claims that these could be lowered by larger scale commercial production.

The whole thing looked so simple that it was only natural to ask Dr. Herty why the industry had not been already established.

"First prejudice against pine as a source of pulpwood, then general financial difficulties," he said.

For a long time, he explained, the pulp industry scoffed at the idea of pine being made into pulpwood. Because these southern slash pines when more mature provided United States with its chief source of naval stores, that is resin and turpentine, it was generally believed that they could not make satisfactory newsprint. There was supposed to be too much pitch in them.

Not Full of Resin

"But that sort of thing we proved a myth," stated Dr. Herty. "As a matter of fact we soon found that the pine does not contain the pitch or resin but is simply a manufacturer of it. Until you wound the tree this resin does not appear. Workers in the naval stores industry of the south go through the forest wounding or slashing mature trees. This wound which opens up the sap to action of the air then results in resin forming. It is nature's way of healing the wound. But with the younger and smaller trees we propose utilizing for pulp there is none of this resin or at least not a great deal more than you have in your spruce. In any case there is not enough to hurt."

The southern newsprint producer proposes to use trees of about five inches diameter. Such, says Dr. Herty will be from five to ten years old and a crop can be produced on the same land every 12 years. Such growth, he states, is about six times faster than with Canadian spruce. It would permit a newsprint mill to locate in the midst of its wood limits and stay there. There would be no increasingly long hauls of raw material. A plant with a capacity of 90,000 tons per year, for instance, could locate indefinitely on a block of 90,000 acres. It could depend on its own limits for half its pulpwood supply and purchase the remainder at $4 to $4.50 per cord, practically delivered at the mill.

Cash Difficulties

So much for the production end of the problem; now to get the money.

"Raising capital is no easy task," says Dr. Herty, "because of the opposition we are facing from the pulp and paper industry as at present located and from the banks which finance these operations. Some $250 millions must be raised to replace our present imports of newsprint. It is not an impossible sum, for it was only some six or seven years ago that United States bankers took $400 millions of American money into Canada to manufacture newsprint from the spruce forests of that country; and unless it is raised then the $20 differential between costs in the south and in the north and Canada must be considered a direct tax upon the people of the United States."

Banks Unsympathetic

Dr. Herty intimated that the south would have to look elsewhere than to the present newsprint industry or the particular banks behind that industry. He explained that the present condition in which many newsprint people found themselves had given any project of this kind a black eye in the financial world and this feeling was responsible for hesitancy of newsprint money going into the south. But he claimed to be confident that money from some source would be forthcoming. One might be pardoned for wondering, however, why such a sure thing as this was made to appear, had not been picked up long ago in a country where investment money is literally going begging.

Next week The Financial Post will publish the Canadian viewpoint on the threat of southern slash pine in the newsprint industry.

Straws Show Ontario Needs Hydro Power

Conservatives "View With Alarm" New Quebec Pacts

COMMISSION PLANS

Do straws in the wind indicate that Ontario will face a power shortage within 10 years?

Opinions implied in recent developments seem to suggest an affirmative answer. However, Hon. A. W. Roebuck, attorney-general of Ontario, and also a member of the Hydro-Electric Power Commission of Ontario, suggests present plans are aimed at obviating the necessity for importation of power from Quebec companies.

Last week in convention, the Ontario Conservative party adopted the following resolution on Hydro power: "We view with alarm the new short-term Quebec contracts, as adequate reserves are not provided to care for industrial and domestic expansion in the province."

Back to Niagara

Meanwhile the Ontario Hydro Commission is proceeding with what is termed the "back-to-Niagara" policy, in a manner that implies admission that present power resources require expansion.

Hydro has negotiated new agreements with the Dominion as to water charges on the Trent River in eastern Ontario and on diversion from the Welland canal for use at Decew Falls in the Niagara system. The effect is to reduce the Hydro's cost; to enable it to develop another 10,000 h.p. on the Trent; and to enable it to develop Decew Falls to furnish additional capacity of 250,000 h.p. to meet temporary peak demand.

Want Firm Power

The Hydro's figures indicate that new Trent development would only go a small way toward removing eastern Ontario's dependence on Quebec power. The Decew Falls development would be designed only to furnish power to meet peaks in the demand by using a storage basin. The need for additional steady power is indicated in a recent statement by Mr. Roebuck:

"The Commission has plans for the development of continuous power at Queenston in very considerable figures, which, if carried to completion, will supply the steady demand of the system for many years to come."

Ogoki Survey

The Ontario Hydro is planning a survey of the Ogoki River dam project aimed at turning back the Albany River from the James Bay drainage basin into Lake Nipigon and Lake Superior. The idea would be to raise water levels in the Great Lakes.

Apparently one of the ways Hydro seeks to get more power at Niagara is by some such attempt to increase the water supply. There is grave doubt by various authorities as to whether this Ogoki scheme is feasible and whether it would be effective in furnishing additional power at Queenston.

Official's Viewpoint

On the very day the Ontario Conservatives were adopting their "view with alarm" resolution, The Financial Post suggested to a well-informed senior official of the Hepburn government that the Ontario Hydro's policy in cancelling the Quebec power contracts was wrong. It was suggested to this official that the power would be needed and that 10-year contracts were too short.

Although sympathetic with the government, this official did not contend that the Hydro contract cancellation policy was entirely right. Said he: "The Hydro power policy would be right if they make a settlement with Ottawa Valley Power." He thought Beauharnois should still be left out because it is so far away, and therefore, in his opinion, an uneconomic source of power.

Question for Hydro

The question remains whether the comparatively short 10-year term of new Hydro contracts may necessitate a search for additional sources of power when that term expires or even earlier. An official of one important electrical supply company who has been connected with hydro-electric projects for nearly 30 years suggested recently to The Financial Post that the Ontario Hydro will be short of power inside three years, under its present arrangements.

Another point of interest is that in view of the attitude of the Conservative party, there may be some attempt to restore the former Hydro contracts with Quebec power companies if and when there is a change of government in Ontario.

Winnipeg Building

Winnipeg real estate companies report more house sales made in Winnipeg this spring than in any year since 1930.

New Industries

Frost Una Welding Co., Ltd., Hamilton, Ont., has been formed by Frost Steel & Wire Co. of Hamilton and Una Welding Co. of Cleveland for the purpose of manufacturing and marketing a complete range of protected arc and other welding rods.

Davis Leather Co., Newmarket, Ont., is erecting an addition to the plant to give an increase of 13,000 sq. ft. of floor space.

Erd-Marshall Co., Sarnia, Ont., designers and manufacturers of coat fashions for women and children, has recently moved the factory, offices and retail showroom giving greater space and increased production facilities. (Sarnia Observer).

* * *

Daily Commercial News notes that:

Whittall Can Co. Ltd., Trenton, Ont., has begun construction of an additional unit at the plant on Dufferin St.

Jenny Lind Candy Shops, Ltd., Toronto, will build an addition to the factory at 301 Lansdowne Ave.

McKinnon Industries, Ltd., St. Catharines, Ont., has called for tenders for construction of gear and office building at the plant on Ontario St.

National Grocers Adds T. J. Medland to Board

T. J. Medland, Toronto, was added to the directorate of National Grocers Co. at the recent annual meeting, succeeding John Medland, who died recently.

Morley D. Lemon was appointed vice-president, a position formerly occupied by John Medland. H. L. McNelly has been appointed assistant general manager, and R. H. Bainard, assistant secretary-treasurer, now has the additional title of comptroller.

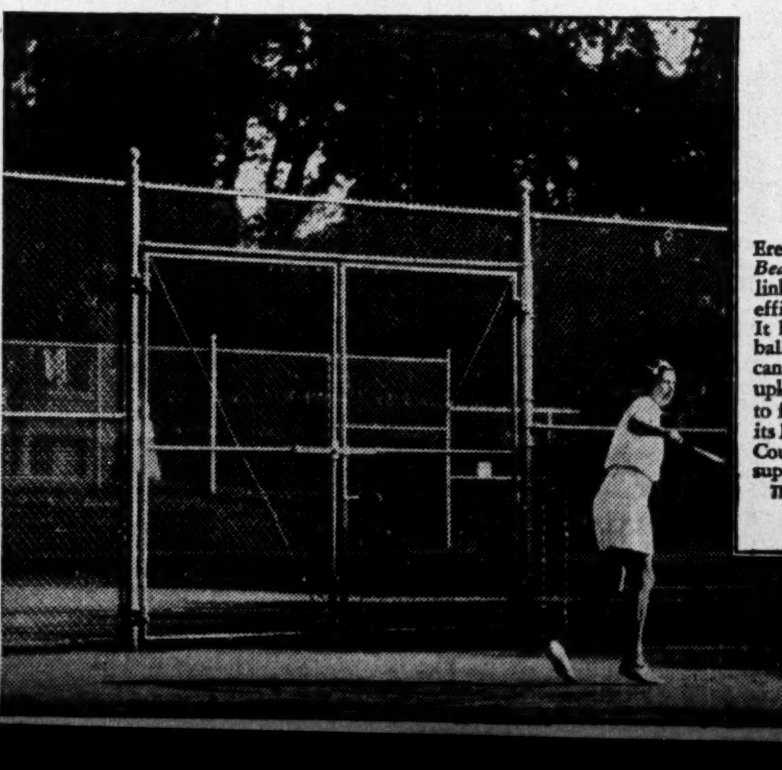
No mention was made at the meeting of the various proposals that are understood to have been made for capitalizing arrears of preferred dividends. At present, the company is paying $7 a share annually in regular dividend on the preferred stock, and also $3.50 on account of arrears, which have now been reduced to $31.50 per share.

Big Scope for Employment In Modernizing of Industry

Modernization of industry's present productive facilities, according to Alfred P. Sloan, president of General Motors Corp., would go far in solving the present unemployment problem. In a recent address at San Francisco, Mr. Sloan urged business to make larger financial provisions for the obsolescence of plants. He also called upon the government to adopt a more intelligent system of taxation which would promote the building of industrial plants by granting exemption from taxation where new facilities were substituted for old ones.

The largest single block of unemployment, Mr. Sloan estimated, was in the durable goods industries, and any improvement there in the way of plant modernization he estimated would be effected immediately in dwindling relief rolls. Not only would many jobbers be given work, but Mr. Sloan continued, plant efficiency would be increased, thereby lowering production costs, increasing sales and expanding employment all along the line. Denying that mechanization was responsible for unemployment, Mr. Sloan said that the industries that were least mechanized were most depressed.

An important additional source of employment, stated the head of General Motors, lay in the creation of more and better homes for workers. One limitation, he admitted, was due in part to the fact that labor demanded a wage for building beyond what labor itself could afford to pay for a finished house. The ultimate solution of the housing problem, he added, apparently lies in the mass production of finished components capable of being assembled on the job in minimum time and with common tools.



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Twenty-second Annual Municipal and Provincial Government Review

THE FINANCIAL POST

SECOND SECTION

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Picture of Municipal Finances Reveals General Improvement But Threat of Default Still Present

Improved National Income Shown in Tax Collections of Cities

BANK LOANS DOWN

Unemployment Costs, Lower Grants, Bar to Balanced Budgets

Finances of Canadian municipalities showed general improvement in 1935. Tax collections increased and bank loans were reduced.

While there has been general improvement and Canadian municipal finance appears to be on the mend, the crisis which has existed during recent years cannot yet be said to be past. Defaults have practically ceased but there is still considerable danger more will develop. This is particularly true of Western Canada where the improvement in revenue has not been as marked as in the east and where default in many cases has been avoided through manipulation of sinking funds.

As a perusal of the municipal statement appearing in this issue will indicate, the improvement in 1935 was not due to reduction in expenditures on the part of municipal governments but rather to increased tax collections due to higher national income.

Bank Loans Decline

Evidence of the improvement in municipal finance resulting from higher tax collections may be seen in the monthly returns of the chartered banks. Bank loans to municipalities as at April 30, 1936, were $111.7 millions, a reduction of $16 millions from the previous year. During the past 3 years there has been a reduction of $31 millions in bank loans. One factor in this reduction has been higher pre-payment of taxes.

While bank loans declined and a great many municipalities reduced their debenture debt, the total debt of Canadian municipalities is estimated to have increased by $110 millions in 1935. According to a compilation by A. E. Ames & Co., the combined debt of all Canadian municipalities as at Jan. 1, 1936, was $1,355 millions as compared with $1,244 millions at Jan. 1, 1935. This, it should be noted, is gross debt and does not take into account the large sinking funds which many municipalities have on hand. If sinking funds are taken into account the actual increase is considerably smaller.

Unemployment Relief

Unemployment relief continues as a black cloud on the horizon of municipal finance. Large expenditures for unemployment relief have been the principal factor in the increase in debt and continued unbalanced budgets of many municipalities. In many cases increased expenditures for this purpose have offset reduction in other expenses.

Indications are that unemployment costs will continue as a disturbing factor especially since the Dominion and provincial governments have cut their grants for this purpose. Many municipal authorities feel that by doing this the federal and provincial governments are attempting to balance their own budgets at the expense of the municipalities. There can be little doubt that unless drastic action is taken by the municipalities to reduce the cost of relief, the reduction in grants will increase their already heavy burden.

As a result of the lower grants a number of municipalities which had expected to balance their budgets in 1936 will again show a deficit. In others which are already in default it will postpone improvement in their position. In the case of those which have avoided default but are faced with serious difficulties, some feel that default will not be unlikely.

Defaults Have Ceased

A major indication of the improvement in municipal finances is the cessation of defaults. Whether this cessation is permanent or only temporary is difficult to determine. Certainly, however, there is grave danger of further defaults unless the unemployment problem can be solved.

The Financial Post estimates that there are 150 Canadian municipalities in default. Because of duplication of defaults, as for a town and its school district, the estimate may not be entirely accurate.

Maritimes Have Best Record

The Maritimes have the best municipal record in Canada, no municipality having defaulted on its obligations. With economic activity on the up trend and most municipalities in a sound condition it is improbable that defaults will occur in the Maritimes at this stage.

Quebec Makes Progress

In Quebec the worst of the storm seems to be over. While the province has between 50 and 60 defaults, these for the most part are small municipalities, and considerable progress is being made in adjusting the defaults. In this regard Quebec has the best record in Canada, largely due to the rigid control exercised by the Quebec Municipal Commission. Under its supervision finances of the defaulted municipalities have shown definite improvement and in a great many cases payment of partial interest on account is being made. In addition the debenture debts of the city of St. Lambert and the town of Laval des Rapides have been refinanced without serious loss to bondholders. In no province are bondholders' rights more fully recognized than in Quebec.

Montreal Situation Serious

One fly in the ointment, however, is the city of Montreal. With its debt increasing in an alarming manner and huge deficits piling up, the city's finances are not in a sound condition. Unless drastic steps are taken to reduce expenditures the city may be faced with serious difficulties in the not too distant future.

There is also indication of an unwillingness to pay contractual obligations on the part of Montreal authorities. In a bill at present before the Quebec legislature authority is sought for conversion of the city's debt at a lower rate of interest. It is not likely that such authority will be granted.

Ontario Picture Improves

Ontario, the richest province in Canada, has the worst default record in the Dominion with about $98 millions or 19 per cent of the total municipal debt of the province in default. While there are over 40 defaults, full default of interest and principal exists in only 27 municipalities.

While the Ontario municipal situation has perhaps shown more improvement than that of any other province and there appears to be little danger of further defaults, little progress is being made in adjusting the defaults. It is expected, however, that a number of reorganization schemes will be proposed before the end of the current year, several of these having been postponed pending settlement of the city of Windsor refinancing. With this about completed it is expected that refinancing of some of the Toronto suburban municipalities and of those in only partial default will be speeded up.

The general default picture, however, is none too bright. In the case of a large number of the Ontario defaults there appears to be little possibility of early resumption of interest payments or refinancing and in a number of cases bondholders will have to take a substantial loss.

In Western Canada the crisis in municipal finance remains and it is possible that there will be further defaults. Unfortunately, also, these may be some of the larger municipalities. To date, except in a few cases defaults in Western Canada have been confined to the smaller municipalities and to school districts.

The state of municipal finance in western Canada, although fewer defaults have occurred, is admitted much more serious than in Ontario or Quebec. Most of the large cities such as Regina, Calgary, Saskatoon, Edmonton, Vancouver and Victoria are faced with grave financial difficulties and in some instances default has only been avoided by manipuation of sinking funds and deferring sinking fund payments.

May be More Defaults

To make matters worse, authorities in some of these municipalities favor forced conversion of debt to drastic reduction in ordinary expenditures. This is particularly true of Calgary and Vancouver, both of which have proposed conversion schemes.

The real danger in the Alberta situation is that the forced conversion undertaken by the provincial government will spread to municipalities. Both of the major cities have authority to refund their debts at lower rate of interest with permission of the Alberta Public Utilities Commission. Both are expected to take advantage of this authority. In the case of Calgary, expectations are that default will be necessary if conversion is not undertaken.

Whether there is further improvement in the Canadian municipal situation in 1936 is largely dependent upon what happens in Western Canada. If default or forced conversion by a number of the larger western cities can be avoided progress should be made, for indications are that in the rest of the Dominion the upward trend of 1935 will continue.

Sound Municipalities Obtain Cheap Money

The exceptionally low rates obtained by some Canadian municipalities on new borrowings in recent months is a definite indication of the benefits of sound finance.

Among the most recent municipal financing has been an issue of $57,500 of city of Kingston 2½ per cent debentures which was sold at a cost of 2.10 per cent and an issue of $6.1 millions of city of Toronto bonds at a cost to the city of 2.43 per cent. The reason for the spread in cost between these two issues is largely explained by the fact that the Toronto issue, which was divided into three groups, consisted of medium and long term bonds as well as short term. The Kingston issue was for a 5-year term.

Other cities which have borrowed at low rates in the current year are Kitchener, Hamilton, Halifax and Saint John. The cost of the issues to the cities varied from 3.8 per cent on a 3½ per cent 20-year issue of the city of Hamilton to 2.25 per cent on city of Kitchener 5-year bonds.

These rates are in striking contrast to the rates paid in the years prior to 1929 and what would have to be paid by many Canadian municipalities throughout Canada if they were to enter the market with a loan. There are a large number of cities throughout the Dominion which have been deferring debenture issues for some time due to the fact that they could be sold only at a substantial discount. Others would find it difficult to obtain money at any price.

Thus the benefits of sound finance are apparent. If a city conducts its affairs on a sound basis it can always obtain money to finance new developments at a favorable rate.

Ontario

Considerable progress was made by Ontario toward balancing its budget in the year ended March 31, 1936, and in the current year it is expected that not only will a surplus be shown but the gross debt of the province will show a reduction for the first time since the dawn of the century.

Exclusive of relief expenditures the province actually had a surplus of $6.8 millions in the 1935-36 fiscal period. Relief expenditures amounted to $20.3 millions so that the deficit for the year was $13.5 millions. This is a marked improvement over the 1933-34 fiscal period when the total deficit was $30.6 millions on ordinary account.

Capital Expenditures Down

In addition there was marked improvement in capital account in the year ended March 31, 1936, capital expenditures being reduced by $30 millions. Whereas capital outlays in the year ended Oct. 31, 1934, exceeded capital revenue by $33.1 millions, capital account was almost in balance in the 1935-36 fiscal period, deficit amounting to only $747,631.

Taking both ordinary and capital accounts into consideration the improvement in the 1935-36 year over the 1933-34 period was about $49 millions.

Capital Revenue

Improvement in capital revenues is partly due to the change in relations between the government and the Hydro-Electric Power Commission. Under a new arrangement the commission is undertaking its own financing and the refunding of provincial loans which were originally issued for the purpose of financing construction works of the commission as they fall due. In 1935-36 the commission repaid to the government a total of $14.1 millions.

Surplus In 1936-37

For the year ending March 31, 1937, the province has budgetted for $86.4 millions of ordinary revenue, $73.2 millions of ordinary expenditures and unemployment relief costs of $12.6 millions, which leaves a surplus of $600,000.

In addition the province has budgetted for capital revenues of $36.8 millions as against capital expenditures of $26.9 millions which will result in a reduction in the provincial debt of $9.9 millions. This reduction, however, is somewhat illusory since repayments from the Hydro Commission as a result of it undertaking its own refunding will bulk large in any reduction. Since the commission recently sold a $10 millions issue for this purpose its appears that Hydro payments will account for the entire reduction.

The slowing down of the rate of increase in the debt of the province was another favorable feature of operations in the 1935-36 period. Gross debt of the province in the 11 months ended Feb. 29, 1936, increased by $14.2 millions, compared with $18.6 millions in the 5 months ended March 31, 1935, and $61.6 millions in the year ended Oct. 31, 1934. Gross debt increased by $201 millions from Oct. 31, 1934, to March 31, 1935.

PROVINCIAL FINANCES

Revenue and Expenditure

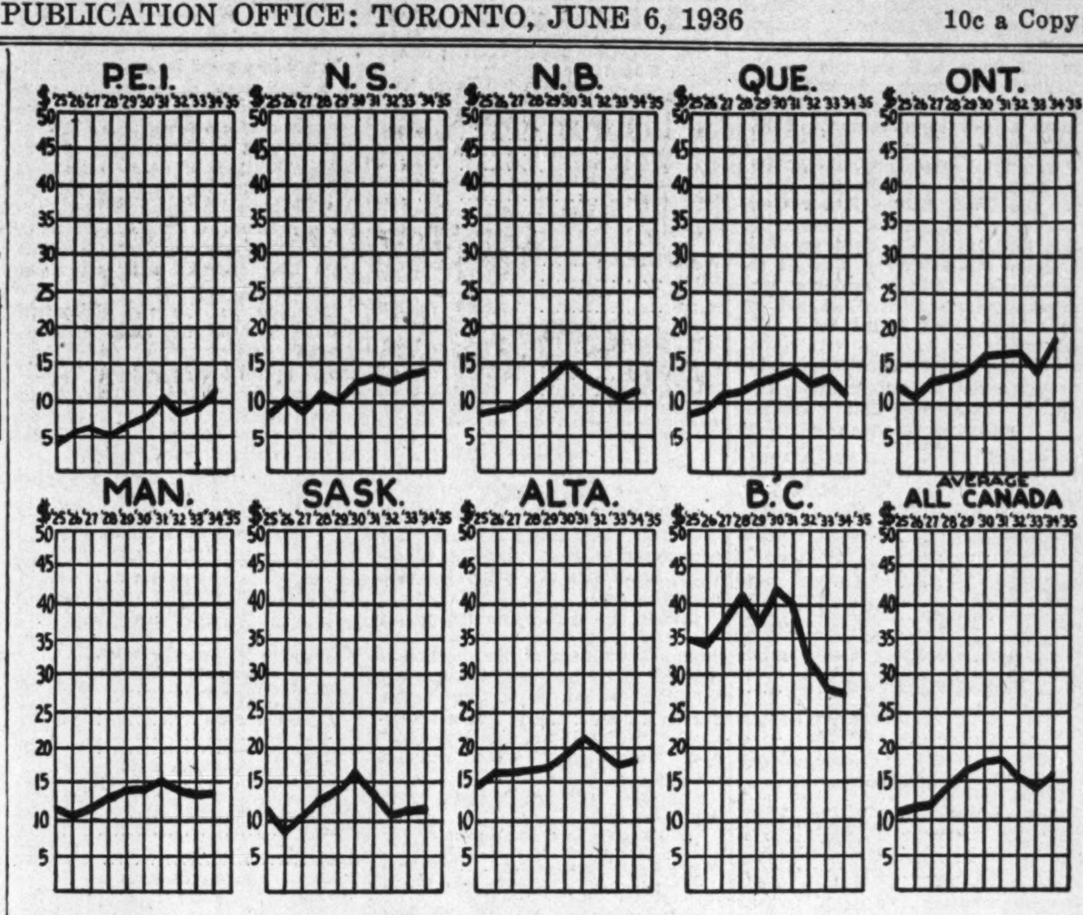
Revenue

Department:	*1936 $	1935 $
Prime Minister	22,127	25,158
Legislation	15,614	10,117
Attorney-General	485,171	408,731
Insurance	160,993	160,759
Education	110,887	2,794
Lands and forests	3,273,562	1,783,046
Mines	1,714,805	1,433,294
Game and fisheries	679,027	544,739
Public works	52,642	8,901
Highways	24,075,498	21,096,165
Health	1,285,997	33,448
Labor	114,078	1,570
Provincial treasurer	34,350,238	23,742,839
Provincial secretary	980,634	580,561
Agriculture	308,132	2,461
Stationery excess	......	22,357
Municipal affairs	167,637	......
Northern development	34,477	......
Public welfare	83,534	......
Interest on loans	11,099,023	210,901
	79,014,075	50,067,841

Expenditure

Department:	1935 $	1934 $
Lieutenant-governor	8,560	9,093
Prime Minister	160,442	255,079
Legislation	262,185	294,374
Attorney-General	2,292,266	3,346,606
Insurance	67,977	71,330
Education	9,985,709	11,176,905
Lands and forests	1,781,890	1,782,625
Northern development	2,458,833	1,920,638
Mines	271,563	298,215
Game and fisheries	441,237	514,452
Public works	612,816	772,288
Public highways	4,183,614	3,681,181
Health	7,394,502	6,880,104
Labor	379,499	288,897
Public welfare	4,644,394	21,243,088
Provincial treasurer	1,032,234	839,360
Provincial secretary	1,472,428	801,875
Provincial auditor	111,755	120,059
Agriculture	1,886,336	1,820,152
Miscellaneous	136,816	20,249
Stationery a/c	16,345	......
Public debt	32,459,647	24,520,411
Municipal affairs	83,959	10,111
	72,147,039	80,667,091
Unemploy. relief	20,363,645	......
	92,510,684	80,667,091

*Fiscal year Apr. 1, 1935 to Mar. 31, 1936. Ten months actual, two months forecast.



PROVINCIAL EXPENDITURES TURN UPWARD

Every provincial government in Canada, except Quebec, increased its per capita expenditures in 1934, as shown in the above charts. The graphs are based on experience in fiscal years ended in 1934 as compiled by the Citizen's Research Bureau and charted by The Financial Post. When details for the 1935 fiscal year become available it is expected that a further increase will be shown in most cases. The figures as charted above do not include unemployment relief expenditures.

Ontario's Financial Picture

Assessed value of all property (provincial estimate, 1931)		$3,183,000,000
Total funded debt at Feb. 29, 1936		593,860,514
Total funded debt at March 31, 1935		586,365,499
Of the above debt at March 31, 1935, the following amounts are invested in revenue-producing enterprises:		
Temiskaming and Northern Ontario Railway	$ 37,207,934	
Hydro-Electric Power Commission	187,877,835	
Farm, housing and settlers' loans	70,885,639	
Treasury bills at Feb. 29, 1936		50,000,000
Contingent liabilities		99,438,793
Fixed assets, comprising roads, buildings, crown lands, timber, water powers, and other estimated potential revenue resources		944,195,307
Total Dominion Government subsidies		2,941,424
Ordinary revenue for fiscal year ended March 31, 1936		79,014,075
Ordinary expenditure for fiscal year ended March 31, 1936		72,147,039
Unemployment relief for fiscal year ended March 31, 1936		20,263,645

LOANS OUTSTANDING

(As at March 31, 1935)

Maturity	Rate	Amount	Payable†
Installment Issues			
Nov. 1 (1935-57)	4½%	$18,400,000	M. W. V. R. C. H. St.J. N.Y. L.
Dec. 1 (1935-55)	4½%	14,700,000	M. W. V. R. C. H. St.J. N.Y. L.
Jan. 15 (1936-57)	4½%	17,493,000	M. W. V. R. C. H. St.J. N.Y. L.
June 1 (1935-38)	4%	8,000,000	M. W. V. St.J. O.
Jan. 15 (1936-71)	4½%	26,689,000	M. W. V. R. C. H. St.J. N.Y. L.
May 15 (1935-66)	4%	27,226,000	M. W. V. R. C. H. St.J. N.Y. L.
May 15 (1935-70)	4½%	28,697,000	M. W. V. R. C. H. St.J. N.Y. L.
June 1 (1935-71)	4%	28,765,000	M. W. V. R. C. H. St.J. N.Y. L.
Aug. 30 (1935-39)	2½%	37,500,000	M. W. V. St.J. O.
Straight Term Issues			
Dec. 1, 1935	6%	14,794,000	M. W.‡
May 2, 1936	6%	12,683,000	Montreal‡
July 1, 1936	3½%	148,000	Montreal‡
Nov. 1, 1936	5%	150,000	Montreal
Jan. 3, 1937	5½%	14,950,000	M. N.Y.
Jan. 16, 1937	4%	20,000,000	H. St.J. M. O. W. V.
June 1, 1939	4%	1,133,000	Montreal‡
June 1, 1939	4%	j*665,950	M. N.Y.‡
Jan. 16, 1940	4½%	5,000,000	H. St.J. M. O. W. V.
Feb. 1, 1941	6%	8,399,500	Montreal‡
May 1, 1941	4%	k*224,000	M. N.Y.‡
Nov. 1, 1941	4%	f*1,188,400	M. N.Y.‡
Oct. 1, 1942	5%	19,973,000	M. N.Y.
Nov. 1, 1942	4¾%	20,200,000	Montreal
Dec. 1, 1942	5½%	15,508,000	Montreal‡
Sept. 15, 1943	6%	14,337,000	M. N.Y.
Sept. 15, 1943	6%	12,957,000	M. W.‡
Sept. 1, 1944	4½%	18,400,000	M. N.Y. L.
July 1, 1946	5½%	20,000,000	M. W. V. H. St.J.
Feb. 1, 1947	5½%	20,000,000	M. W. V. H. St.J. O.‡
Feb. 1, 1947	5½%	2,000,000	Montreal
Oct. 15, 1948	5%	36,136,500	M. W. V. H. or St.J.‡
Jan. 16, 1949	4½%	15,000,000	H. St.J. M. O. W. V.
June 1, 1950	4½%	15,000,000	M. W. V. St.J. O.
Apr. 1, 1952	5%	14,972,000	M. N.Y.
Oct. 31, 1953	4¾%	4,500,000	Prov. Treas.
June 1, 1957	4½%	ac1,605,999	London
£330,000/0/0			
May 1, 1958	4½%	150,000	Montreal
May 1, 1959	5%	b34,802,000	M. W. V. R. C. H. St.J. N.Y. L.
Dec. 2, 1960	5%	c34,536,000	M. W. V. R. C. H. St.J. N.Y. L.‡
Jan. 1, 1946	3½%	d2,056,406	London
£442,549/4/10			
May 1, 1947	4%	d*1,547,175	London
£317,912/16/4			
Jan. 1, 1965	4½%	d*834,412	London
£171,454/12/8			

a—Optional redemption by the province on June 1, 1947, or subsequent interest date on three months notice. Sinking fund provision ⅛ of 1% annually.

b—Sinking fund on 40-year retirement basis to provide 55 per cent of issue at maturity in 1959.

c—Sinking fund to provide 68 per cent of issue at maturity in 1960.

d—Registered stock—Bank of Montreal, London, England. Amount outstanding of which there has been purchased for sinking funds, $937,343.64, 3½ per cent stock; $764,196.44, 4 per cent stock; and $458,781.56, 4½ per cent stock.

e—Debenture loan series AV—Amount held in sinking funds (£80,000)—$389,333.33.

f-k—Includes the following amounts payable in Canadian funds only: (f) $394,000; (j) $332,950; (k) $163,000.

*—Succession duty free.

†—M., Montreal; W., Winnipeg; V., Vancouver; R., Regina; C., Calgary; H., Halifax; St.J., Saint John, N.B.; O., Ottawa; N.Y., New York; L., London, England.

‡—Denominations $500 and $1,000.

Hydro-Electric Power Commission of Ontario

Description of Issue:	Date of maturity	Principal outstand. Oct. 31, 1935 $
Niagara System:		
5% H.E.P.C. debentures	Jan. 1, 1935	8,000,000
4½% " "	Feb. 1, 1938	9,000,000
5% " " Toronto Power Co. issue	June 15, 1939	4,000,000
6% " "	Dec. 1, 1940	413,200
6% " "	Dec. 1, 1940	205,800
6% " " Ontario Power Co. issue	June 24, 1941	3,200,000
3½% " "	Jan. 1, 1943	10,000,000
5% Ontario Power Co. bonds	Feb. 1, 1943	7,630,000
5% Ontario Transmission Co. bonds	May 1, 1945	1,221,000
4% H.E.P.C. debentures Ontario Power Co. issue	Aug. 1, 1957	8,000,000
4% " " Essex County Lt. & Pr. issue	June 1, 1958	200,000
4% " " James Battle issue	Dec. 1, 1958	100,000
4¾% " "	Jan. 1, 1970	13,000,000
		57,020,000
Municipal debentures assumed	Various	16,745
		57,036,745
Georgian Bay System:		
Gravenhurst debentures assumed	Various	10,597
Brock Twp. " "	Various	762
		11,359
Eastern Ontario System:		
Municipal debentures assumed	Various	5,286
Radial Railways:		
6% H.E. Railway bonds	Dec. 1, 1940	2,375,000
Funded debt as shown on the balance sheet of the commission	....	59,428,391
Northern Ontario Properties:		
3½/4/5% H.E.P.C. debentures	Oct. 1, 1952	17,626,950
Guelph Radial Railway:		
5% H.E. Rly. bonds	Nov. 1, 1970	300,000
Funded debt relating to all properties vested in, or operated by the commission	....	77,355,341
Hydro-Radial Debentures Assumed by S. W. & A. Rly. Co. and the Province of Ontario:		
5% H.E. Rly. bonds	Sept. 1, 1943	966,205
5% " " "	July 1, 1945	750,000
5% " " "	Sept. 1, 1945	100,000
5% " " "	July 15, 1946	1,000,000
4½% " " "	Apr. 1, 1960	2,100,000
6% " " "	July 1, 1961	900,000
		5,816,205
Total funded debt in the hands of the public	....	83,171,546
Treasury Securities Pledged with Bank of Montreal:		
5% H.E. Rly. bonds	Nov. 1, 1969	1,200,000
Total funded debt issued or assumed	....	84,371,546
Guaranteed by the Province of Ontario	....	84,338,155
Unguaranteed	....	33,391
		84,371,546

Defaults Total $141 Millions

There has been little change in the municipal default situation in Canada during the past year, the amount of municipal debentures in default being about the same as year ago, namely, about 11 per cent of the total debt of Canadian municipalities.

While improvement has been shown in the position of most of the defaulted municipalities, much ground still remains to be regained before most of the defaults can be adjusted. The municipal departments of the various provincial governments are maintaining strict supervision over the defaults and it is hoped that refinancing of a large number can be undertaken in the not too distant future.

Details of defaults in the various provinces by amounts is given below:

Municipal Defaults

(In millions of dollars)

Province:	Bonds in default $	Total municipal debt $	Per cent in default $
Ontario	98.5	494.4	19.9
Manitoba	12.0	92.5	13.0
Saskatchewan	4.0	46.6	8.6
Brit. Columbia	11.2	129.9	8.6
Quebec	15.0	392.2	3.8
Alberta	.5	76.9	.6
Maritimes	none	54.8	.0
Total	141.2	1,287.3	11.0

Ontario Cities

Belleville

Belleville, located in the middle of a mixed farming and dairying district, in eastern Ontario, has been able to finance its relief costs during the depression years out of current revenue. In 1933 the city had a deficit of $806 on ordinary account.

During the past three years Belleville has reduced its net debenture debt by $348,000. In 1935 the reduction amounted to $183,835. Floating indebtedness declined during the year by $34,264 to $164,350.

Population: Present, 14,411; 5 years previously, 14,059. Area, 1,800 acres.

Income and Assessment

Year ending December 31, 1935

Revenue	$ 661,610
Expenditure	662,416
Assessed value for taxation	10,409,680
Exemptions not included	3,195,715

Tax rate, 1935: General: 20 7/10; debenture, 10-6/10; school, 17-8/10; total, 49-1/10 mills.

Total tax arrears, $266,494; last year's levy, $598,489; uncollected, $142,786.

Assets and Liabilities

Value of assets	$4,586,838
Total debenture debt	3,126,014
Total sinking fund	883,517
Other liabilities	164,350

Debenture Debt

	Gross debt	Sink. fund on hand
Public utilities	$357,003	......
Schools	922,814	173,449
Local improvements:		
Ratepayers' share	873,239	564,838
City's share	513,605	......
General	459,352	145,230
Total	3,126,014	883,517

Bonds guaranteed $197,003.

Public Utilities

	†Net earnings	‡Net profits
Waterworks	$30,574	$14,951
Electric light	44,702	38,897

†After operating charges only. ‡After depreciation, operating charge, interest and sinking fund.

Brantford

Brantford finances are in a sound condition as is indicated by the fact that since the first of the year the city has sold $226,000 of debentures at an average cost of 3.6 per cent, the lowest in its history. Net debenture debt has shown little change in the past 3 years.

Tax arrears were reduced slightly in 1935. During the first quarter of 1936 the city kept its expenditures well within estimates.

Population: 1935, 31,212; 1927, 27,739. Area, 3,284 acres.

Income and Assessment

Year Ended Dec. 31, 1935

Revenue	$1,361,668
Expenditure	1,311,457
Assessed value for taxation	27,632,325
Exemptions not included above	6,034,750

Tax rate, 1935: schools 13.23; general 30.27; total 43½ mills.

Total tax arrears: $644,414; last year's levy, $1,253,990; uncollected $275,394.

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,483,493	$350,653
Local improvements:		
Ratepayers' share	630,180	135,962
City's share	588,471	22,209
Schools	625,555	186,943
General	1,927,882	183,013
Total	5,255,581	878,780

Bonds guaranteed, $56,000.

(Continued on page 19)

Death of Loan Council May Bring Guarantee For Alberta's Bonds

Loan Council and Taxation Amendments to B. N. A. Act Viewed as Certain to Fail in Senate — Dominion May Back Provincial Refunding

From Our Own Correspondent

OTTAWA.—The loan council and provincial taxation constitutional amendment is regarded as doomed to failure in the Senate in its existing form. There will be amendments to the government's resolution and depending upon the nature of these changes, the whole loan council project may or may not survive.

The chances are that it either will not survive or will emerge in a form which will fail to operate.

Guarantee for Alberta?

Every effort is being made by Ottawa to prevent further repudiation by Alberta and to bring about a voluntary conversion without a Dominion guarantee. It is generally understood that Ottawa has been very active in urging the formation of bondholders' protective committees, in order that negotiations can be opened with Premier Aberhart. It is a good guess that Ottawa will be equally active in endeavoring to have these committees come to terms with Alberta. A voluntary conversion is keenly desired.

If this objective is achieved, it is believed a similar conversion cannot be withheld from the other western provinces. If so, there would be no immediate need for a loan council statute and its fate at the hands of the Senate would occasion no anxiety.

Liberal View Reversed

Opinion in Liberal as well as Conservative circles is tending strongly to support the criticisms of the policy enunciated in the Senate by Rt. Hon. Arthur Meighen. It is felt, particularly in Liberal circles, where there is a sort of reversal of opinion, that the resolution was not given adequate consideration: that the government acted sincerely but hastily in endeavoring to extemporize a policy to meet an emergency. More thought was given to escaping the penalties clearly foreseen in this emergency than to consequences which would follow when the means of escape became the law of the land. The policy, it is felt, was short range.

To the extent that events have moved swiftly and the government has kept pace by new plans, the resolution is, to a considerable extent, out-moded and its failure to survive in the Senate or its amendment in a way which would compel the government to drop it, would not produce any baleful results. These later moves on the checkerboard of Dominion-provincial finance are of interest.

The indirect taxation features of the constitutional amendment are regarded as certain to be stricken out. All that will then remain of the policy will be the loan council. For the reason that the indirect taxation features were part of the original bargain between the Dominion and the provinces last January, it is doubtful if the government would accept a resolution emasculated in this way.

Main Purpose

On long range view, for good or ill, the main purpose behind the loan council proposal has been achieved. That purpose was to sever the union of Dominion and provincial credit, with honor to the Dominion. Mr. Dunning set himself, last October, to the task of finding a way to separate the two credits and at the same time to discharge the moral obligation resting on the Dominion government in consequence of the policy followed since October, 1931.

Alberta, it is argued in cabinet circles, has refused the loan council solution and is now in default. British Columbia and Saskatchewan have avoided default and have no large maturities to meet until 1938. Manitoba is in the clear until 1939. It is recognized, however, that the political repercussions of the Alberta default on the other three western governments are incalculable. They may be forced to follow suit or risk almost certain defeat. If so, it is feared, Dominion credit would be injuriously affected.

No effort is made in official circles to veil the belief that Alberta's default will injure the national credit. Rightly or wrongly, officials believe that the result of Alberta's action will be the liquidation of Canadian bonds by foreign bondholders. These bondholders will tend to lose confidence in Canada and will desire to reduce, not increase, their holdings of our securities. Sales of this kind would force down the price of Dominion and other bonds and might well cause the government — with its widely unbalanced budget — acute embarrassment.

Therefore, while the loans' council resolution is still a live issue on Parliament Hill, it is evident that later moves in connection with Alberta are tending to out-mode it.

Quebec

Despite the fact that it has almost doubled its funded debt in the past four years, Quebec enjoys the best credit rating of any of the provinces, and has the lowest per capita debt of any of the provinces.

In the four years ended June 30, 1935, Quebec increased its total funded debt from $69.2 millions to $134.7 millions and its net debenture debt from $60.4 millions to $118.9 millions. Of this increase deficits on ordinary account were responsible for $18 millions and unemployment relief for about $30 millions.

In 1935 net debenture debt increased by $20.9 millions. Of this increase, $10.1 millions was accounted for by expenditures under the unemployment aids acts and $4.9 millions by the deficit on ordinary account.

Position Improves

Improvement was shown in 1934-35 in Quebec's current position. During the year current liabilities were reduced from $8.8 millions to $7.8 millions while current assets dropped only $200,000 to $7.6 millions, a net improvement of $800,000.

Ordinary revenue in the 1934-35 fiscal period showed a marked improvement over the previous year, increasing 13.1 per cent. At the same time, however, expenditures increased by 8.4 per cent, the deficit being reduced by $839,356 as compared with the previous year to $4.9 millions. Unemployment relief costs of $10.1 millions are not included in ordinary expenditures so that the actual deficit was much higher than shown. Another large item of expenditure was $6.3 millions by the public charities fund.

While details are lacking as to the trend of operations in the year ending June 30 next it is expected that further improvement will be shown in the budget position of the province. For the year ending June 30, 1937, the province has budgetted for a deficit of $991,000.

PROVINCIAL FINANCES

Revenue

Department:	1934-35 $	1933-34 $
Dominion subsidy	2,464,553	2,464,553
Natural resources	4,622,837	3,266,242
Liquor commission	1,087,254	1,226,927
Gasoline duties, etc.	5,115,439	4,822,401
Corporation taxes	4,456,093	4,628,140
Succession duties	3,401,574	2,697,771
Motor vehicle tax	5,502,825	5,204,992
Interest	1,238,375	1,143,714
Other taxes	448,806	428,809
Treasury insur.	122,330	122,385
Liquor permits	1,730,139	1,245,569
Prov. secretary	70,785	61,917
Public works	218,939	184,559
Labor dept.	63,812	51,624
Game & fisheries	22,861	27,344
Justice	106,628	98,858
Sundry	1,291,604	606,697
	31,984,885	28,282,503

Expenditure

Department:	1934-35 $	1933-34 $
Public debt	8,546,249	7,292,053
Civil government	2,534,933	2,422,462
Admin. of justice	2,442,650	2,120,751
Education	3,755,635	3,747,026
Public works	1,825,954	1,565,389
Agriculture	3,189,346	2,974,758
Roads and mines	5,146,746	5,443,881
Lands and forests	2,128,715	1,666,814
Coloniz., games & fish.	2,616,735	1,980,675
Legislation	737,371	763,167
Lunatic asylums	1,136,382	1,017,737
Industrial schools	318,120	273,905
Health	731,954	689,896
Charities	24,790	23,865
Municipal affairs	85,955	71,606
Labor	505,451	435,485
Sundry	1,226,135	1,385,518
	36,924,121	33,876,977

Province of Quebec Financial Statement

(At at June 30, 1935)

Assessed value for local purposes of taxable real estate (1934)	$2,184,384,346
Total funded debt	134,746,007
Less: Sinking fund	15,812,257
Net debt	118,935,750
Treasury bills	14,000,000
Revenue for fiscal year ended June 30,1935	31,984,885
Expenditure for fiscal year ended June 30, 1935	36,924,121

LOANS OUTSTANDING

(As at June 30, 1935)

Maturity	Rate	Amount	Payable
1 May, 1936	4% ((£ Bonds)	$ 292,000	L. M. (P) (2)
1 May, 1936	5%	136,400	Q. M. (G)
1 Nov., 1936	5%	10,000,000	Q. M. T.
1 Apr., 1937	3% (Ins. stock)	1,341,346	L. M. (P)
1 Apr., 1937	3% ((£ Ins. stock)	9,236,061	L. (2) (P)
1 May, 1938	5%	37,100	Q. M. (G)
15 Mar., 1938-43	5%	3,557,000	Q. M. T. (1) (4) (G)
2 Jan., 1940	2½%	13,730,000	Q. M. T.
1 Feb., 1945	2¾%	5,000,000	Q. M. T.
1 June, 1946	4½%	2,500,000	Q. M. T. (G
2 Mar., 1950	4½%	15,000,000	N.Y. Q. M. T. (4)
1 Jan., 1954	4½% (£ Reg'd stk)	5,727,000	L. (2)
20 Jan., 1955	3% (Franc bonds)	4,736,316	L. P. (1) (2) (3)
1 July, 1956	4½%	7,500,000	N.Y. Q. M. T. (G) (4)
15 Sept., 1956	4½%	144,000	Q. M. (G) (1)
1 May, 1957	4½%	4,000,000	N.Y. Q. M. T. (G) (4)
1 Feb., 1958	4%	5,000,000	N.Y. Q. M. T. (G) (4)
1 Mar., 1960	3½%	1,500,000	Q. M. T.
1 May, 1961	4¼%	7,500,000	M. T. Q. N.Y.
2 Jan., 1963	4½%	9,000,000	Q. M. T.
1 Mar., 1964	5%	15,000,000	N.Y. M. L. (5)
1 Aug., 1958	4¼%	10,350,000	Q. M. T.
15 Mar., 1944-54	4%	7,700,000	Q. M. T.
1 June, 1959	4%	760,782	Q. M. T.
1 Sept., 1939	3%	10,000,000	Q. M. T.

There are also other contingent liabilities and guarantees.

†N.Y., New York; Q., Quebec; M., Montreal; T., Toronto; L., London, Eng.; P., Paris; (G), Gold; (P), Par.

(1) Free from succession duties.

(2) At par of exchange in sterling.

(3) The loan maturing Jan. 20, 1955, is redeemable after Jan. 20, 1935, on six months notice.

(4) Redeemable during last five years before maturity.

(5) A sinking fund to redeem this loan March 1, 1964, is provided by La Banque Canadienne Nationale, payable in annual instalments of [illegible].

(Continued on page 20)

Prince Edward Island

Prince Edward Island, the smallest province in Canada, has increased its debenture debt in the past 4 years 2¾ times. Gross funded debt has increased from $2.1 millions at Dec. 31, 1931, to $5.7 millions at Dec. 31, 1935, and net debenture debt from $1.6 millions to $3 millions.

In 1935 alone there was an increase of $1.2 million in gross debt and slightly over $1 million in net debt. Expenditures, totalling $563,839, made under the unemployment relief acts of 1934 and 1935 were in a large measure responsible for this increase. Total expenditures made under the relief acts were $908,992 of which the Dominion government contributed $345,153, the provincial government $563,939 and municipalities $6,781.

Exclusive of expenditures under the relief acts, which are shown as special, the province had a deficit in 1935 of $376,297 on ordinary account. Capital and special expenditures exceeded capital revenue for the year by $706,430 so that total deficit for the year was $1,082,727.

For the year 1936 the province has budgetted for a deficit of $70,330 on ordinary account, ordinary expenses being estimated at $1,709,597 and ordinary revenue at $1,639,267. Capital expenditures are placed at $186,500 and capital revenues at $149,885.

PROVINCIAL FINANCES

Revenue

Department:	1935 $	1934 $
Dominion subsidy	813,229	636,867
C. N. R., prop. tax	40,000	40,000
Registry office, hospital, etc., fees	31,032	34,499
Fines and penalties	426	839
Succession duties	19,839	50,452
Companies' taxes, etc.	106,964	92,963
Motor, insur. & pedlars' licenses	104,085	102,669
Departmental receipts	52,234	58,340
Amusement taxes	5,384	5,535
Gasoline tax	212,434	202,596
Other taxes	138,919	161,016
Ordinary revenue	1,524,546	1,385,777
Capital revenue	390,125	154,175
Total	1,914,671	1,539,952

Expenditure

Department:	1935 $	1934 $
Public debt	373,115	358,186
Justice	68,672	65,739
Agriculture	53,572	45,848
Education	346,374	343,154
Health	33,143	32,327
Public works	503,288	370,563
Provincial secretary	11,821	11,302
Old age pensions	198,122	173,189
Executive council	4,180	3,898
Hospital	119,306	96,355
Legislation	16,868	16,084
Legislative grants	48,677	46,032
Direct relief	55,040	39,145
Motor vehicles	5,192	5,179
Gasoline rebates	32,561	27,755
Provincial building	8,701	9,457
Library	3,034	3,099
Miscellaneous	19,174	9,612
Ordinary expenditure	1,900,843	1,656,924
Capital expenditure	156,541	71,614
Special expenditure	940,014	297,820
Total	2,997,398	2,026,358

Province of Prince Edward Island Financial Statement

(As at December 31, 1935)

Assessed value of all real property within the province (1933)	$35,000,000
Gross funded debt	5,754,000
Less sinking fund	1,114,033
Net debenture debt	4,639,967
Annual Dominion Government subsidy	647,181
Ordinary revenue for the year ending December 31, 1935	1,524,546
Ordinary expenditure for the year ending December 31, 1935	1,900,843

LOANS OUTSTANDING
(As at Dec. 31, 1935)

Maturity	Rate	Amount	Payable
1 Sept., 1937	5½%	$175,000	C. M. T.
30 June, 1937	5½%	250,000	Charlottetown & Ottawa
1 Oct., 1938	4%	39,000	C. M.
15 Nov., 1938	4½%	100,000	C. M. T.
1 Apr., 1939	4%	472,000	C. L. T. M.
1 Nov., 1943	5%	150,000	C. M. T.
1 Oct., 1944	4½%	150,000	C. M. T.
1 Oct., 1944	4½%	350,000	C. M. T.
1 Oct., 1945	4½%	150,000	C. M. T.
1 Oct., 1945	3%	200,000	C. M. T.
1 Oct., 1945	3%	1,000,000	C. M. T.
1 Nov., 1946	4½%	40,000	C. M. T.
1 May, 1947	6%	1,000,000	C. M. T.
1 Nov., 1947	4½%	60,000	C. M. T.
15 Nov., 1948	4½%	170,000	C. M. T.
1 May, 1950	5%	48,000	C. M. T.
15 May, 1950	5%	200,000	C. M. T.
1 Feb., 1952	5½%	150,000	C. M. T.
1 May, 1943	4½%	250,000	C. M. T.
1 June, 1936	3%	500,000	C. M. T.
1 May, 1944	4%	300,000	C. M. T.

C., Charlottetown; L., London; M., Montreal; T., Toronto; O., Ottawa.
All $1,000 denominations. No exemptions from taxation.
Except issue of $1,000,000, 1947, of which a part is in denomination of $500.

Charlottetown

Charlottetown, the capital of Prince Edward Island, reports a deficit of $47,734 on current account in 1935.

During the past three years the city's net debenture debt has increased by $192,674.

Collections of current taxes in 1935 amounted to 76 per cent of the levy.

Tax arrears since the end of 1932 have increased by $44,621 to $125,939, which is equivalent to 68 per cent

Population: Present, 13,840; 1926, 12,375. Area, 810 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 216,906
Current expenditure	264,740
Assessed value for taxation	9,146,488
Exemptions not included	4,500,000

Tax rate, 1935, 20 mills.

Total tax arrears, $125,939. Last year's levy, $182,929; uncollected, $43,023.

Assets and Liabilities

Value of assets	$3,102,252
Total debenture debt	1,978,850
Total sinking fund	327,600
Bank loans	47,833

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 424,500	$327,600
General	540,050	
Schools	138,000	
Housing	32,500	
Local improvements	843,800	
	$1,978,850	$327,600

Public Utilities

	*Net earnings	†Net profits
Waterworks	$22,037	$5,098

*After operating charges only. †After operating charges, interest on water and sewerage debentures.

Summerside

Summerside has the best tax collecting record of any town or city in Canada. Collections of current taxes in 1935 amounted to 97.7 per cent of the levy. Per capita tax arrears of the current levy at the end of 1935 were 21.2 cents and total per capita tax arrears were $1.40.

While the town increased its net debenture debt by $11,000 in 1935, it improved its current position. On current operations a surplus of $178 is reported, compared with a deficit of $2,234 in 1934. At the end of the year there was a cash balance in the bank of $4,664 as against a bank overdraft of $12,843 at the end of the previous year.

Population: 1935, 3,914; 1921, 3,228 Area, 1,060 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 71,839
Current expenditure	71,661
Assessed value for taxation	2,972,480

Assets and Liabilities

Value of assets	$538,719
Total debenture debt	453,500
Total sinking fund	179,500

Debenture Debt

	Deb's. outstand.
Public utilities	$225,000
Local improvements	125,000
School	48,500
General	55,000
Total	$453,500

Nova Scotia

Like every other province in the Dominion, Nova Scotia has been piling up deficits and increasing its funded debt during the depression years. The province, nevertheless, is sound financially and recently there has been improvement in its position.

In the fiscal period ended Nov. 30, 1935, which was of 14 months duration because of a change in end of the fiscal year from Sept. 30 to Nov. 30, the province cut its deficit more than in half as compared with the previous year. Deficit on ordinary account, before provision for sinking fund installments, amounted to $515,410 for the 14-month period, compared with $1.1 millions in the 12 months ended Sept. 30, 1934. After making provision for sinking fund installments the deficit was $897,715.

Deficit of $1.3 Millions

The above deficit figures do not include expenditures for unemployment relief. If direct relief expenditures of $404,134 are included then the total deficit for the year was $1.3 millions. In addition to direct relief expenses the province spent $830,422 on unemployment relief works. The largest capital expenditure was on roads, over $1 million being spent.

During the past four years the total funded debt has increased by $25.5 millions. While deficits have been partly responsible for this increase the major factors have been expenditures on roads, direct relief and unemployment relief projects. Capital outlay on roads has increased by $7.6 millions since 1931.

Current Position Better

In the 1934-35 period there was an increase of over $8 millions in the funded debt of the province after deducting sinking funds. The current position, however, showed material improvement. Current assets were increased during the period from $2.8 millions to $3.4 millions and current liabilities declined from $2.7 millions to $1.8 millions a net improvement of $1.5 millions.

Of a total debenture debt of $85.8 millions, $14.1 millions was issued for the Nova Scotia Power Commission. Debt service charges on this portion of the debt are paid entirely out of the profits of the commission. Other revenue producing assets against which debentures have been issued total $13.3 millions.

For the 1936-37 fiscal period the province has budgetted for a surplus of $15,187 on ordinary account.

PROVINCIAL FINANCES

Revenue

Department:	14 Mos. ended Nov. 30, 1935 $	Year ended Sept. 30, 1934 $
Attorney-General	221,641	169,348
Education	155,234	171,954
Highways	3,612,103	2,640,892
Agriculture	12,742	10,991
Public health	719,171	569,836
Provincial secretary	1,858,427	1,463,719
Provincial treasurer	3,265,349	2,312,578
Public service	58,730	16,482
Public works & mines	745,646	654,930
Labor	4,504	3,889
R. C. Mounted Police	168,699	......
	10,821,949	8,014,619
Less	181,089	......
	10,640,860	8,014,619

Expenditure

Department:		
Attorney-General	180,416	287,608
Education	1,640,820	1,330,248
Highways	3,901,117	3,184,614
Agriculture	270,821	230,059
Public health	2,421,989	1,692,520
Provincial secretary	92,627	34,626
Provincial treasurer	2,335,564	1,959,444
Public service	186,426	142,855
Public works & mines	490,431	257,208
Labor	30,638	24,604
R. C. Mounted Police	168,699	......
	11,719,549	9,143,786
Less	563,548	......
	11,156,001	9,143,786

Province of Nova Scotia Financial Statement

(As at November 30, 1935)

Assessed value of real property in province (Dec. 31, 1935)	$171,345,154
Total funded debt	85,866,646
Net funded debt	76,386,085
Sinking fund	▲9,480,561
Annual Dominion Government subsidy	1,953,048
Total revenue for period ended Nov. 30, 1935, (14 months)	10,640,860
Total expenditure for period ended Nov. 30, 1935 (14 months)	11,156,001
Contingent liabilities	1,156,937

▲Includes $3,712,802 of funds on deposit in London (Eng.) for redemption of Nova Scotia Consolidated Stock on Dec. 2, 1935.

LOANS OUTSTANDING
(As at September 30, 1935)

Maturity	Rate	Amount	Payable
1 May, 1936	4 15/100%	$ 68,000	New York (R)
1 Nov., 1936	6%	1,800,000	H. M. T. N.Y. (E)
2 Jan., 1937	4½%	3,094,000	H. M. T. (D)
1 July, 1937	5% Stock	94,000	Halifax (D)
15 May, 1939	3½%	5,050,000	H. M. T. (D)
1 Oct., 1939	3%	3,534,000	H. M. T. (D)
15 Nov., 1940	2½%	3,012,000	H. M. T.
15 Nov., 1941	6% Stock	75,000	Halifax (D)
15 Nov., 1941	6%	483,000	Halifax (D)
1 July, 1942	3½%	£ 157,000	London (A)
30 Sept., 1942	3½%	£ 180,000	Halifax (B)
1 May, 1943	5%	$2,532,000	H. T. M. (C)
15 May, 1943	4½%	2,800,000	H. M. T. St.J. W. Va. (D)
1 Apr., 1944	5%	2,530,000	H. M. T. (P)
15 May, 1945	3½%	£138,698-12-7	£40,400 Halifax (B) £98,298-12-7 London (A)
2 Sept., 1945	3%	$2,000,000	H. M. T.
30 Nov., 1945	4½%	2,000,000	H. M. T. (D)
15 Nov., 1945	3%	4,140,000	H. M. T.
1 May, 1946	3½%	£62,465-16-1	London (A)
15 Nov., 1948	4½%	$2,000,000	H. M. T. N.Y. (E)
15 Nov., 1948	4½%	3,000,000	H. M. T. N.Y. (E)
1 July, 1949	3%	£ 164,000	London (A)
2 Sept., 1950	3%	$ 1,796,500	H. M. T.
15 Sept., 1952	4½% (1)	12,370,000	H. M. T. N.Y. (R)
15 Aug., 1953	4½%	500,000	H. M. T. N.Y. (R)
15 Nov., 1953	4½%	500,000	H. M. T. N.Y. (R)
1 July, 1954	3½% Stock . (2)	£ 650,000	London (A)
1 Dec., 1958	4½%	$ 500,000	H. M. T. N.Y. (E)
1 May, 1959	5%	2,560,000	H. M. T. N.Y. (R)
1 May, 1959	5%	2,028,000	H. M. T. N.Y. (R)
1 May, 1959	5%	1,500,000	H. M. T. N.Y. (R)
1 Mar., 1960	5%	5,054,000	H. M. T. N.Y. (R)
1 Mar., 1960	5%	4,043,000	H. M. T. N.Y. (R)
15 Nov., 1960	4½%	4,404,000	H. M. T. N.Y. (E)
15 May, 1961	4½%	2,115,000	H. M. T. N.Y. (R)

H., Halifax; M., Montreal; T., Toronto; O., Ottawa; St.J., Saint John, N.B.; W., Winnipeg; Va., Vancouver; L., London; N.Y., New York.

Terms of payment: (A) In pounds sterling. (B) In pounds sterling at the fixed rate of $4.86-2/3 to the pound. (C) In Canadian gold coin. (D) In lawful money of Canada. (E) In U.S. gold coin of the present weight and fineness. (P) In gold coin of lawful money of Canada. (R) In gold coin equivalent to the present standard of weight and fineness for U. S. gold coin.

Payment in gold has been suspended by governments of U.S.A. and Canada.

(1) Callable on Sept. 15, 1947, or on any interest date thereafter on three months notice at 100. (2) Redeemable at par in London July 1, 1954. The government having the option to redeem stock at par at any time on giving 12 months notice. (3) Callable on May 1, 1944, on six months notice.

Amherst

Amherst increased its bank overdraft in 1935 by $643 to $10,881. Net debenture debt on the other hand declined by $5,487 although $30,000 of relief debentures were issued during the year. In the current year the town plans to issue $15,000 of debentures for capital purposes.

Current assets as at Dec. 31 last show a surplus of $12,569 over current liabilities. This amount, according to the mayor's report, should be more than sufficient to take care of an arrears of taxes set up as assets which may prove uncollectible. Outstanding taxes increased by about $4,000 in 1935.

Population: Present, 7,450; six years ago, 7,500. Area, 3,500 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 210,672
Current expenditure	209,932
Assessed value for taxation	3,775,252
Exemptions not included	943,600

Tax rate, 1935: General, $3.50; school, $1.30.

Tax arrears, $86,625; last year's levy, $181,754; uncollected, $45,409.

Assets and Liabilities

Value of assets	$1,887,495
Total debenture debt	1,041,700
Total sinking fund	587,711
Other liabilities	23,445

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 601,650	$417,545
Schools	155,500	120,795
General	284,500	41,701
Sink. fund reserve	......	7,678
Total	$1,041,650	$587,719

Public Utilities

	Revenue	*Deficit
Waterworks	$28,759	$393

*After expenses and interest.

Dartmouth

Dartmouth, despite a reduction of five mills in its tax rate, improved its tax collections in 1935. Total collections amounted to $174,077, compared with $172,562 in 1934. Receipts of current taxes were about the same as in 1934 while collections of arrears improved.

Net debenture debt and bank loans both declined slightly in 1935, the former by over $28,000 and the latter by about $3,000. In addition to a net debenture debt of $858,036, there are $323,334 of bonds guaranteed by the city. These consist of $189,000 of housing commission debentures and $134,334 of ferry commission debentures. During 1936 the ferry commission plans to issue an additional $200,000 of bonds.

Population: Present, 10,000 (approx.); 5 years ago, 9,166. Area, 1,533 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 201,443
Current expenditure	212,256
Assessed value for taxation	4,897,150
Exemptions not included	1,854,850

Tax rate, 1935: General, 20.80; school, 14.70; total, 35.50 mills.

Total tax arrears, $85,217; last year's levy, $173,848; uncollected, $59,845.

Assets and Liabilities

Value of assets	$1,521,849
Total debenture debt	1,166,000
Total sinking fund	306,964
Bank loans	90,730
Other liabilities	37,792

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 376,200	$111,358
Local improvements	38,000	15,688
School	751,800	179,918
Total	$1,166,000	$306,964

Bonds guaranteed, $323,334.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$27,416	$1,067

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Glace Bay

Glace Bay's financial position showed slight improvement in 1935. Net debenture debt was reduced by $66,000 during the year and tax arrears by $26,000. Profits were shown on the city's public utilities after all charges.

Population: Present, 25,000; five years ago, 22,000. Area, 6,400 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$ 480,372
Current expenditure	455,475
Assessed value for taxation	5,120,000
Exemptions not included	88,800

Tax rate, 1934: General, 3.30%; school, 3.70%; total, 7%.

Tax arrears, $260,728; last year's levy, $371,491; uncollected, $133,890.

Assets and Liabilities

Value of assets	$2,457,832
Total debenture debt	1,619,250
Total sinking fund	410,546
Sinking fund arrears	45,000
Bank loans	......

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 206,500	$36,379
Other	1,412,750	374,167
Total	1,619,250	410,546

Public Utilities

	*Net earnings	†Net profits
Waterworks	$17,617	$7,075
Electric light	46,352	33,801

* After operating expenses only. †After operating expenses, interest and sinking fund charges.

Halifax

While Halifax has a large debenture debt, the city's finances are considered to be in a healthy condition. Its affairs are generally well administered.

During the depression the policy of the city has been to keep capital expenditures at a minimum and as a result there has been no increase in debt. In the fiscal year ended March 31, 1935, there was a reduction of $438,328 in net debenture debt and bank loans were reduced $40,000.

Population: 1931, 59,275; 1921, 58,372. Area, 4,300 acres.

Income and Assessment
Year Ended April 30, 1935

Assessed value for taxation	$58,560,210

Tax rate, 1935: General, 21.7; school, 11.3; county, 1.0; total, 34 mills.

Total tax arrears, $884,789; 1935 levy, $2,122,744; uncollected, $571,153.

Assets and Liabilities

Value of assets	$21,961,008
Exemptions not included	39,993,055
Total debenture debt	15,144,013
Total sinking fund	4,466,621
Bank loans	610,039

New Glasgow

New Glasgow improved its position materially in 1935, reducing its net debenture debt by $43,000. In addition a bank overdraft on general account was converted into a bank balance of $7,051. The only bank overdraft at Dec. 31 last was $7,020 on unemployment relief account, compared with total bank overdrafts at the end of 1934 of $29,632.

Population: Present, 9,000; five years ago, 9,000. Area, 2,560 acres.

Income and Assessment
Year Ended December 31, 1935

Current income	$ 284,180
Current expenditure	257,153
Assessed value for taxation	5,562,025
Exemptions not included	104,750

Tax rate, 1935: General, $2.25; school, $1.15; total, $3.40.

Tax arrears, $128,762; last year's levy, $190,981; uncollected, $72,839.

Assets and Liabilities

Value of assets	$1,436,111
Total debenture debt	1,062,150
Total sinking fund	465,386

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$ 421,600	$271,285
General	640,550	194,101
Total	$1,062,150	$465,386

Public Utilities

Waterworks—Credit balance, $3,260.

Sydney

Reflecting betterment in the operations of Dominion Steel and Coal Co., Sydney, N.S., improved its position in 1935. The bank overdraft was reduced from $372,000 to $259,194. Tax collections were the best in years. On current account the city had a surplus of $28,000.

While debenture debt declined slightly in 1935 there has been an increase of $439,000 since the end of 1932. Unemployment relief has been a heavy burden, the cost of which has been capitalized.

Of a total sinking fund of $1.2 millions not one investment is in default.

Population: Present, 25,000; 5 years previously, 23,000. Area, 3,730 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,043,099
Expenditure	1,015,481
Assessed value for taxation	12,013,260
Exemptions not included	163,175

Tax rate, 1935 and 1936: 42 mills.

Total tax arrears, $533,445. Less reserve $108,157. Last year's tax levy, $610,203; uncollected, $199,071.

Assets and Liabilities

Value of assets	$4,346,898
Total debenture debt	3,640,000
Total sinking fund	1,267,367
Bank loans	259,194

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 549,000	$267,000
General debentures	3,091,000	997,067
Total	$3,640,000	$1,264,367
Guaranteed bonds		$200,000

Public Utilities

	*Net earnings	†Net profits
Waterworks	$55,039	$17,964

*After operating charges only. †After operating expenses, interest and sinking fund charges.

Sydney Mines

Heavy relief costs have resulted in an increase in the debenture debt, a total of $80,000 of debentures having been issued for this purpose in the past five years. Of this amount, $40,000 were purchased by the provincial government in 1934. No debentures were issued in 1935. Expenditures, however, exceeded revenue by $7,233 and as a result there was a bank overdraft of that amount at the end of the year as against no bank indebtedness at Dec. 31, 1934. Accounts payable were reduced during the year from $50,522 to $33,484.

Population: 1931, 7,769; 1921, 8,327.

Income, Assets and Liabilities
Year Ended December 31, 1935

Current revenue	$162,189
Current expenditure	162,043
Value of assets	699,987
Total debenture debt	301,900
Sinking fund	13,868

Last year's tax levy, $123,191; total tax arrears, $236,004.

Truro

Truro improved its position slightly in 1935 although expenditures exceeded receipts by $5,302. Net debenture debt declined about $200 to $520,323 and bank loans by $300 to $40,082. While total bank loans were reduced current bank loans increased from $24,992 to $30,126. Since June, 1934, the town has carried its relief load without any assistance from the federal and provincial governments.

Included in the net debenture debt is the net funded debt of Truro Electric Commission of $95,599 which is not a charge upon the tax rate. The commission shows an annual profit, the surplus in 1935 being $27,254 compared with $26,518 in the previous year.

Population: Present, 8,500; five years ago, 8,000. Area, 3,000 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 227,218
Expenditure	233,270
Assessed value for taxation	4,647,820
Exemptions not included	991,400

Tax rate, 1935: General, $2.45; schools, $1; provincial highway, 10c.; total, $3.55.

Last year's levy, $166,287; uncollected, $23,084; total tax arrears, $38,130.

Assets and Liabilities

Value of assets	$1,998,357
Total debenture debt	1,042,460
Total sinking fund	522,137
Bank loans	38,126
Other liabilities	9,956

Debenture Debt

	Debentures outstanding
Public utilities	$ 384,455
General	658,005
Total	$1,042,460

Public Utilities

	*Profit	†Net profit
Waterworks	$21,116	$10,711
Electric light	45,503	27,254

*After operating expenses. †After operating expenses, depreciation, interest and sinking fund debt.

Montrealers Oppose Building Free Ports

Montreal's Board of Trade recently turned thumbs down on the proposal now before Ottawa to permit creation of free ports throughout Canada. The council reaffirmed a view expressed on two previous occasions— namely, that while the future development of the country may at some time justify creation of such foreign trade areas, there is no present indication that would warrant this board in advocating their provision. The council pointed out that there has never been any demand for such ports from merchants or manufacturers, and that the cost of establishment would likely be very large. Initial cost for the proposed free trade zone at Staten Island, New York, was cited at an estimated figure of over $7 millions.

All "Prince" Steamers In for Busy Season

For the first time in five years, all the "Prince" ships of the Canadian National Steamships will be in action this year, says a report from Halifax. One ship has been commissioned to make trips from Vancouver up the coast to Skagway, Wrangell, etc. Another has been chartered by National Tours to make 12 new trade wind cruises to the West Indies and South America, and a third to tour from New York via Panama to California, B. C., Alaska and Hawaii.

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In this, the first year of the reign of King Edward the Eighth, it is fitting we remember that Kingship has survived in the British Empire because it deserved to survive.

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So is it ever true of those who seek the best.

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A Stabilizing Influence
Exerted by Maintaining Service

DURING the depression years, 1930 to 1935 inclusive, this Company consistently maintained its standard of service to the consumer. The moneys expended for this purpose involved the following sums:

$1,354,575.74 — to Dominion, Provincial, and Municipal Governments in the form of Direct Taxation.

$2,009,683.21 — to Canadian and British firms for the supplies and materials needed to maintain efficient gas service.

$1,870,272.73 — to employees for salaries and wages.

$2,847,486.84 — to local producing companies for Natural Gas.

Undoubtedly, the operations of this Company, and the expenditures involved in maintaining efficient gas service, have exerted a stabilizing influence on conditions throughout the communities served.

The Canadian Western Natural Gas, Light, Heat and Power Co., Limited

Subsidiary of
DOMINION GAS AND ELECTRIC COMPANY

New Brunswick

Despite an unexpected increase of $560,831 in revenues, New Brunswick reported a deficit of $703,116 in the year ended Oct. 31, 1935, exclusive of unemployment relief expenditures. This is the sixth consecutive deficit reported and is in excess of the deficit budgetted for by $213,913.

As a result of deficits and large capital expenditures the debenture debt of the province showed a sharp increase in the fiscal period ended Oct. 31 last. Net debenture debt, that is after deduction of sinking fund, increased during the year from $56.1 millions to $61.3 millions. In the current year there will be a further increase since the government plans additional large outlays on roads. Of a recent debenture issue of $5.3 millions, $2.5 millions was for this purpose. During the past 4 years there has been an increase of $12.6 millions in net debenture debt.

In addition the province had current liabilities as at Oct. 31, 1935, of $3.5 millions as against current assets of only $1.8 million.

Deficits May Continue

While revenues increased in the last fiscal year and are expected to continue their upward trend in the current year, it is possible deficits will continue unless measures are taken to prune expenditures in order to offset the increase in interest charges as a result of the sharp rise in debenture debt. Expenditures in 1934-35 were not kept within estimates and this was one of the main reasons for a deficit being shown.

PROVINCIAL FINANCES

Revenue

Department:	1935	1934
	$	$
Dominion subsidy	1,566,575	1,266,575
Attorney-General	10,074	13,486
Agriculture	576	461
Lands and mines	799,130	832,457
Public works	17,969	17,971
Public health	11,411	9,760
Education	4,055	4,246
Prov. secy.-treas.	1,164,283	871,234
Liquor control board	600,763	557,573
Prov. hospital	239,696	151,619
Jordan Mem. Sanitor.	48,428	48,769
Boys' industrial home	13,706	11,961
Motor & gas tax, etc.	1,865,825	1,650,395
	6,342,491	5,436,508

Expenditure

Department:	1935	1934
Public debt	1,902,311	1,863,333
Legislation	66,573	65,646
Attorney-General	169,595	163,063
Agriculture	181,539	177,943
Lands and mines	415,643	367,758
Public works	1,496,539	978,386
Public health	139,179	136,372
Education	652,672	625,236
Prov. secy.-treas.	289,351	230,719
Executive	14,420	13,185
Prov. hospital	239,252	230,008
Jordan Sanitorium	123,035	108,665
Tuberculosis aid	75,025	72,658
Boys' industrial home	25,907	25,098
Motor vehicle law	1,253,899	1,254,990
Old age pensions	668	......
	7,045,607	6,313,060

Province of New Brunswick Financial Statement

(As at October 31, 1935)

Assessed value of all property (provincial estimate) (1933)	$200,000,000
Total funded debt	67,562,919
Less: Sinking funds	6,276,939
Net Debenture debt	61,285,979
Contingent liabilities	1,792,713
Ordinary revenue for the year ended October 31, 1934	6,342,491
Ordinary expenditure for the year ended October 31, 1934	7,045,608

LOANS OUTSTANDING

Maturity	Rate	Amount	Payable*
8 May, 1936-62	5% Serial (f)	$ 540,000	F. St.J. M. T. N.Y. (G)
31 Oct., 1936	4% (a)	30,000	F.
30 Mar., 1936-53	4½% (a)	45,000	F. St.J.
15 June, 1936	4¾%	2,792,000	F. St.J. M. T. N.Y. (G)
29 July, 1936	4%	12,000	F.
4 Nov., 1936	4%	100,000	F.
16 Dec., 1936	4%	35,000	F.
1 Jan., 1937	4%	2,500	F.
1 Aug., 1937	5%	500,000	F. St.J. M. T. N.Y.
23 Aug. 1937	4%	2,000	F.
22 Oct., 1937	3½%	10,000	F.
1 Jan., 1938	3%	99,280	M.
1 Jan., 1938	3%	910,067	M. (2)
1 Jan., 1938-47	3%	25,000	F.
1 July, 1938	3%	8,000	F.
15 Aug., 1938	6%	300,000	F. St.J. M. T. N.Y.
1 Jan., 1939	3%	36,000	F.
15 May, 1939	5½%	1,500,000	F. St.J. M. T. N.Y. (G)
2 Mar., 1940	3½%	800,000	F. St.J. M. T. H. W. V. C.
15 Apr., 1940	4¾%	1,100,000	F. St.J. M. T. N.Y. (G)
1 July, 1940	3½%	245,000	F.
1 Aug., 1940	3%	1,358,000	F. St.J. M. T. H. W. Van. C.
1 Dec., 1940	6%	35,500	F. St.J.
30 June, 1941	5%	250,000	F. T. M. O. L.
1 Sept., 1941	6%	166,000	F. St.J. M.
1 Oct., 1941	5%	36,500	F. St.J. M.
1 Jan., 1943	3%	32,500	F.
15 Jan., 1943	5%	1,650,000	F. St.J. M. T. (G)
1 Mar., 1943	5%	60,000	F. St.J.
1 July, 1943	5% (a)	300,000	F. St.J. M. T.
1 Jan., 1944	3%	16,000	F.
1 Apr., 1944	5% (a)	250,000	F. St.J. M. T.
16 Apr., 1944	4%	20,000	F.
1 July, 1944	3%	44,500	F.
16 Feb., 1945	5½%	818,000	F. St.J. M. T.
15 May, 1945	3¼%	2,100,000	F. St.J. M. T. H. W. Van. C.
1 Nov., 1945	4½% (a)	25,000	F.
16 Dec., 1945	3¼%	2,750,000	F. St.J. M. T. H. W. Van. C.
1 Apr., 1946	4½%	80,000	F.
1 July, 1946	3½%	35,500	F.
16 Aug., 1946	4½% (a)	250,000	F. St.J.
15 Feb., 1947	4¾%	640,000	F. St.J.M. T. N.Y. (G)
15 Feb., 1947	4½% (a)	460,000	F. St.J.
1 Dec., 1947	4½%	1,800,000	F. St.J.M. T. N.Y. (G)
1 Feb., 1947	5¼%	100,000	St.J.
1 July, 1947	3%	6,000	F.
1 Feb., 1948	4% (a)	244,000	F. St.J.
15 May, 1948	4%	1,857,000	F. St.J. M. T. H. W. V. C.
15 Oct., 1948	4½% (a)	150,000	F. St.J.
1 Dec., 1948	4% W'stock Storage	10,000	W. (1)
1 Jan., 1949	4% (b)	1,712,429	L.
15 May, 1950	5½%	5,000,000	F. St.J. H. M. T. W. Van.
1 Jan., 1952	5½%	5,061,500	F. St.J. M. T. W. V.
2 July, 1953	4% (d)	450,000	F. St.J. (G)
15 Oct., 1953	4½% (a)	185,000	F. St.J.
12 Jan., 1954	5%	799,000	F. St.J. H. M. T. W. V.
1 Apr., 1954	4½%	100,000	F. St.J.
1 Sept., 1954	4%	1,100,000	F. St.J. M. T. H. W. V. C.
1 Oct., 1954	4½% (a)	200,000	F. St.J.
15 Apr., 1955	3½%	398,000	F. St.J. M. T. (2)
16 July, 1955	3½%	250,000	F. St.J. M. T. (2)
1 Sept., 1955	4½%	100,000	F. St.J.
1 Sept., 1955	4¾%	2,650,000	F. St.J. M. T. N.Y. (G)
15 Oct., 1955	3%	300,000	F. St.J. M. T. (2)
15 Oct., 1955	4½%	200,000	F. St.J.
15 Oct., 1956	4½% (a)	660,000	F. St.J. M. T.
15 Apr., 1957	4½% (a)	301,000	F. St.J. M. T.
1 Oct., 1957	5%	1,850,000	F. St.J. H. M. T. W. V.
15 Oct., 1957	4½% (a)	400,000	F. St.J. M. T.
15 Jan., 1958	4½% (a)	20,000	F. St.J.
15 Apr., 1958	4½%	275,000	F. St.J.
15 Oct., 1958	4½% (a)	125,000	F. St.J.
15 Nov., 1958	4½%	2,263,000	F. St.J. M. T. N.Y. (G)
1 Oct., 1959	5%	2,720,000	F. St.J. M. T. N.Y. (G)
15 Jan., 1960	5%	3,358,000	F. St.J. M. T. N.Y. (G)
1 Apr., 1960	4¾% (a)	235,000	F. St.J.
15 Apr., 1960	4¾%	3,150,000	F. St.J. M. T. N.Y. (G)
15 Apr., 1961	4½%	5,215,000	F. St.J. M. T. N.Y. (G)
23 May, 1962	5% £475,000	2,311,666	L.
1 June, 1962	4%	2,727,977	L. (C)
1 June, 1963	4%	500,000	F. St.J. H. M. T. O. W. V. L. (at $4.86 2/3)
2 July, 1963	5%	2,474,000	F. St.J. H. M. T. W. V. L. (at $4.86 2/3)
1 Nov., 1965	3%	300,000	F.

*N.Y., New York; M., Montreal; T. Toronto; F., Fredericton; St.J., Saint John; W., Woodstock; H., Halifax; (G) Gold.

(b) This issue takes the form of N. B. Government stock certificates issued in London in sterling and payable in London only. The original issue was $2,190,000, but was reduced to the above amount by redemption through sinking fund account.

(c) Value at maturity and call price 105. Stock originally issued by St. John and Quebec Railway Co. and guaranteed principal and interest by Province of New Brunswick. Issue subsequently assumed by province while province remains obligated to pay this issue, C.N.R. assumed same under purchase agreement executed in 1929.

(d) This issue was made by the N. B. Coal & Railway Company and guaranteed by the province. The railway, extending from Norton to the Minto Coal Fields, was taken over by the province and is now operated by the Can. Pacific Rly, under lease.

(f) $20,000 paid each year for thirty-three years.

(1) Formerly guaranteed by province, now assumed as part of direct debt.

(2) Payable in sterling or in Canadian currency at par of exchange.

Authority: Treasury Department, Province of New Brunswick.

CONTINGENT LIABILITIES

Guarantees

Town of Campbellton	4%	Aug. 1, 1951	$100,000	Cp.
Farmers' Co-operative Creamery Co.	6%	June 15, 1943	$ 50,000	Mtn.
Fredericton & Gr. Lake Coal & Rly Co.	4%	June 1, 1962	$465,000	St.J. F.
New Brunswick Cold Storage Co.	4%	Oct. 1, 1947	$ 60,000	Mt.
New Brunswick Cold Storage Co.	4%	June 1, 1949	$ 30,000	St.J. F.
*North, N. B. & Seaboard Rly. Co.	4%	Jan. 1, 1940	$297,000	M. N.Y. L. (G)
Roman Catholic Bishop of Chatham	5%	Feb. 1, 1962	$300,000	M. St.J. F. Ch. B. Mtn.
Southampton Railway Co.	4%	Jan. 1, 1942	$155,000	M. L.

*Province is paying interest charges on the bonds of the Northern N. B. & Seaboard Railway Co., and the Southampton Railway. Callable on any interest date at 105 and interest.

Cp., Campbellton; Mtn., Moncton; Ch., Chatham; B., Bathurst; M., Montreal; L., London; St.J. Saint John; N.Y., New York; F., Fredericton.

Authority: Treasury Department, Province of New Brunswick.

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H. B. HENWOOD—*General Manager*

Fredericton

Fredericton, capital of New Brunswick, had a deficit of $4,574 in revenue and expenditure account in 1935.

During the year net direct debenture debt declined by $30,000 to $539,183 and bank loans by $9,000 to $86,472. In addition to the direct debenture debt there is a school debenture debt of $231,000 against which a sinking fund of $64,356 has been accumulated. This brings the total net debenture debt to $705,827.

Total tax collections in 1935 were $8,250 higher than in 1934, amounting to $278,265 or 96 per cent of the levy.

Population: Present, 9,000 (est.); five years previously, 8,820. Area, 17,280 acres.

Income and Assessment

Year Ended December 31, 1935

Revenue	$ 362,948
Expenditure	353,599
Assessed value for taxation	9,637,076
Exemptions not included	4,559,000

Tax rate, 1935, 2.88 mills.

Total tax arrears, $174,432; last year's levy, $271,000; uncollected, $76,564.

Assets and Liabilities

Value of assets	$1,471,614
Total debenture debt	690,000
Sinking fund	150,817
Bank loans	86,472

Moncton

Moncton increased both its debenture debt and floating indebtedness in 1935. Net debenture debt increased by $91,262 to $3,188,245, bringing the increase since 1933 to $421,252. Bank loans rose from $295,310 to $313,602. Of the latter amount, $44,534 was for capital expenditures pending the sale of debentures.

Tax arrears amount to $285,905 as against current bank loans of $269,067. While collections of current taxes in 1935 amounted to only $72.3 per cent of the levy, collections of arrears were good so that no important ground was lost. Over 79 per cent of the total arrears were from the 1935 roll.

Population: Present, 21,639; 5 years ago, 22,064. Area, 3.27 square miles.

Income and Assessment

Year Ended December 31, 1935

Revenue	$ 974,867
Expenditure	967,663
Assessed value for taxation	22,109,005
Exemptions not included	13,710,440

Tax rate, 1935: General, $1.77; school, $1.39; county, $0.24; total, $3.40.

Total tax arrears, $285,905; last year's tax levy, $818,593; uncollected, $226,375.

Assets and Liabilities

Value of assets	$7,848,760
Total debenture debt	5,022,100
Total sinking fund	1,742,593
Bank loans	313,602

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,335,500	$751,598
Schools	1,272,500	199,199
General debentures	2,414,100	791,796
Total	$5,022,100	$1,742,593

Public Utilities

	*Profit	†Net profit
Waterworks	$66,200	$4,600

*After operating expenses only. †After operating expenses, depreciation, interest and sinking fund debt.

Saint John

Saint John, the largest city in New Brunswick, reports an increase in tax arrears in 1935 of almost $346,000, total arrears at Dec. 31 last amounting to $1.3 million.

While net debenture debt declined by $82,000 in 1935, bank loans are large, totalling $574,573. Of this amount, $154,218 is for capital purposes against which debentures may be issued.

Relief expenditures capitalized to the end of 1935 were $110,000.

Collections of current taxes amounted to only 68 per cent of the levy in 1935.

Population: Present 50,000 (est.); five years ago, 48,000. Area, 13,440 acres.

Income and Assessment

Year Ended December 31, 1935

Revenue	$2,001,041
Expenditure	2,060,195
Assessed value for taxation	41,123,950
Exemptions not included	15,265,000

Tax rate, 1935: City, 12.60; country, 11.53; school, 15.87; total, 40 mills.

Total tax arrears, $1,341,186; last year's levy, $1,882,542; amount uncollected, $590,033.

Assets and Liabilities

Value of assets	$12,647,030
Total debenture debt	9,082,587
Total sinking fund	2,841,025
Bank loans	574,574

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$3,905,946	$1,092,313
Local improvements	66,225	......
General	2,801,132	1,187,869
Schools	2,293,000	560,843
Other	16,284	......
Total	$9,082,587	$2,841,025

Public Utilities

	†Net profits
Waterworks	$215
Hydro-electric plant	63
Market	2,553

†After deducting operating expenses, interest and sinking fund charges.

Tax Arrears Puzzle Briton

Londoner Says Canadian Cities Should Collect or Foreclose

From Our Own Correspondent

VANCOUVER.—London financiers simply cannot understand the practice in some Canadian cities of letting taxpayers pile up arrears for 4 to 5 years before being compelled to pay or be foreclosed on, according to Ernest A. Woolfendell, of the firm of Fielding, Son & McLeod, members of the London Stock Exchange.

Mr. Woolfendell has been visiting Vancouver in the interests of a group of British holders of Vancouver bonds. He does not sympathize with Vancouver city council's plan to reduce the rate on city bonds to 3 per cent.

London System

Mr. Woolfendell says that a special committee now exists in London to watch the Vancouver situation.

He contrasted Vancouver's tax collecting machinery with that of London. "We in London get out tax demand notes with the date specified for payment," he said. "If they are not paid in a month a second note comes, and if it is not effective a third. Next a law officer calls and asks why. Another week's extension may be given and if no payment is made a summons to appear in court is issued; all this within a month or so of the date of the first notice. Rather than face court expenses the taxes are usually paid."

Puzzled by Contradictions

The situation is rather incomprehensible to him. He points to the improvement in industry, the lowering of assessments to reduce the city's revenue, the building of a new city hall and the renewed protest that the obligation of the city is too heavy, as contradictory features of Vancouver's municipal position.

"Local politics is largely to blame," said Mr. Woolfendell. "If the city balanced its budget and collected taxes aggressively the whole problem would be solved quite easily."

Manitoba

Manitoba has done a good job of financing in the face of a sharp drop in farm purchasing power and as a result enjoys the soundest financial position of the four western provinces.

During the past two fiscal years the province has actually balanced its budget on ordinary account, exclusive of unemployment relief expenditures. For the year ended April 30, 1936, a surplus of $75,491 is estimated, compared with a surplus of $159,435 for the 12 months ended April 30, 1935. Including relief expenditures the actual deficit for the 1934-35 period was $2,411,843. Relief costs for the 1935-36 period are not available, but are expected to be slightly higher than in the previous year, so that total deficit may be larger than in the 1934-35 period.

Budgets For Deficit

For the year ending April 30, 1937, the province has budgetted for a deficit of $295,229, exclusive of relief. If taxation had remained the same as in the 1935-36 period the budget would have shown an esti-

(Continued on page 16)

Province of Manitoba Financial Statement

(As at February 29, 1936)

Assessable property within the province (provincial estimate)		$464,637,000
Gross funded debt		123,805,251
Less: Sinking fund	$2,404,434	
Self-sustaining and secured debt	51,274,400	53,678,834
Net funded debt		70,128,417
Contingent liability (of which $3,000,000 is in connection with railways owned and operated by the Dominion Government)		7,829,052
Ordinary revenue for the year ended April 30, 1935		14,383,862
Ordinary expenditure for the year ended April 30, 1935		14,224,427

There is also a sinking fund of $6,695,288 on hand against self-sustaining and secured debt.

LOANS OUTSTANDING

(As at February 28, 1936)

Maturity	Rate	Amount	Payable
1 July, 1936	4%	184,000	Montreal (G)
1 Jan., 1937	4%	274,000	Montreal (G)
1 Feb., 1937	5½%	500,000	M. T. W. (G)*
1 July, 1938	4%	40,000	Montreal (G)
1 Feb., 1939	5½%	1,500,000	N.Y. M. T. W. (G)*
1 June, 1939	5%	700,000	N.Y. M. T. W. (G)*
1 Oct., 1940	4½%	3,101,000	T. M. W. St.J. R. V. (G)
1 June, 1941	6%	2,530,000	M. T. W. (G)*
15 Aug., 1941	5%	395,000	M. T. W. (G)*
1 Dec., 1941	4½%	35,000	N.Y. (G)*
1 Dec., 1941	5%	160,000	N.Y. (G)*
1 Aug., 1941	4½%	2,122,000	V. R. W. T. M. St.J. N.Y. (G)
1 Mar., 1942	5½%	2,250,000	N.Y. M. T. W. (G)*
15 June, 1943	5%	2,500,000	T. M. W. L. (G) (£)*
15 Aug., 1943	5%	1,410,000	W. T. M. (G)*
1 Nov., 1943	4½%	519,500	N.Y. V. R. W. T. M. St.J. (G)
2 June, 1944	5%	2,575,000	N.Y. V. R. T. M. W. St.J. (G)
1 Dec., 1944	4½%	3,721,500	V. R. T. M. W. St.J. L. (G) (£)
1 May, 1945	4½%	2,583,000	T. M. W. V. R. St.J. N.Y. (G)
1 Oct., 1946	6%	4,725,000	N.Y. M. T. W. (G)*
1 Apr., 1947	6%	5,000,000	V. R. W. T. M. or St.J.
1 July, 1947	4%	1,000,000	M. in $, L. in £†
1 July, 1947	4%	3,379,413	M. in $, L. in £†
15 Nov., 1948	5%	100,000	W. T. M. (G)
15 Mar., 1949	5%	180,000	W. T. M. (G)
1 July, 1949	4%	541,173	M. in $, L. in £†*
15 Aug., 1949	3½%	4,000,000	V. R. W. T. M. St.J.‡
15 Dec., 1949	5%	150,000	W. T. M. (G)
2 Jan., 1950	4%	3,841,400	V. R. W. T. M. or St.J.
1 May, 1950	4%	1,000,000	V. R. W. T. M. or St.J.
1 May, 1950	4% Reg. stock	6,827,602	London in £†*
1 May, 1950	4%	1,000,000	V. R. W. T. M. St.J.
1 Aug., 1950	5%	100,000	W. T. M. (G)
1 Sept., 1950	5%	17,000	W. T. M. (G)
15 Sept., 1950	5%	40,000	W. T. M. (G)
15 Mar., 1951	5%	68,000	W. T. M. (G)
1 Aug., 1951	4½%	2,672,000	V. R. W. T. M. St.J. N.Y. (G)
1 Oct., 1951	4½%	3,442,000	V. R. W. T. M. St.J. N.Y. (G)
1 Feb., 1952	6%	655,000	V. R. W. T. M. or St.J.
1 Apr., 1953	4½% Reg. stock	1,329,091	London in £†*
15 June, 1954	5%	2,526,000	N.Y. W. T. M. R. V. St.J. (G)
1 Oct., 1955	5½%	4,000,000	V. R. W. T. M. or St.J.
1 June, 1956	5%	3,000	W. T. M. (G)
2 Aug., 1956	5%	25,000	W. T. M. (G)
1 Oct., 1956	5%	115,000	W. T. M. (G)
15 Dec., 1956	4½%	6,449,000	T. M. V. R. W. St.J. N.Y. (G)
16 Apr., 1957	4½%	2,169,000	T. M. V. R. W. St.J. N.Y. (G)
15 June, 1957	4½%	200,000	W. T. M. (G)
1 Sept., 1957	4½%	14,000	W. T. M. (G)
15 Oct., 1957	4½%	43,000	W. T. M. (G)
1 Dec., 1957	4%	3,495,000	W. T. M. V. R. St.J. N.Y. (G)
15 May, 1958	4½%	184,000	W. T. M. (G)
1 July, 1958	5½%	3,500,000	V. R. W. T. M. or St.J.
1 Oct., 1958	5%	105,000	W. T. M. (G)
15 Oct., 1958	4½%	3,245,000	W. T. M. V. R. St.J. N.Y. (G)
1 Dec., 1958	4½%	108,000	T. M. W. (G)
1 Aug., 1959	5%	433,000	T. M. W. (G)
2 Dec., 1959	5%	3,495,000	N.Y. T. M. W. St.J. R. V. L. (£)
15 Jan., 1960	5%	10,000	T. M. W. (G)
1 Apr., 1960	4½%	1,570,000	N.Y. T. M. W. St.J. R. V. (G)
15 Apr., 1961	4¾%	261,200	W. T. M. (G)

N.Y., New York; T., Toronto; M., Montreal; W., Winnipeg; V., Vancouver; R., Regina; St.J., Saint John, N.B.; L., London; (G), Gold; (£), Pound sterling at $4.86-2/3. † Payable in pounds sterling.

* Free from succession duties, provincial and municipal taxation in the province.

‡ Callable at par on any interest payment date after August 15, 1946.

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ONTARIO

Ontario's Credit Based on Tremendous Resources

Ontario's Bonds Secured by Enormous Income

Balanced Budget Anticipated

PROVINCE OF ONTARIO
FINANCIAL STATEMENT
(As at March 31st, 1935)

Gross Funded Debt		$594,088,187.81
Less—Sinking Funds		6,896,845.35
		$587,191,342.46
Unfunded Debt—		
Treasury Bills	$49,900,000.00	
Demand Deposits with Province of Ontario Savings Office	22,326,489.50	
Bank Overdraft	1,883,594.88	
Miscellaneous	8,000.00	
Special Funds	3,701,577.26	
	$77,819,661.64	
Accounts Payable	709,029.02	
Accrued Interest	8,665,883.86	87,194,574.52
Total Funded and Unfunded Debt, less Sinking Funds		$674,385,916.98*

*Of this amount there has been invested in active, revenue-producing and realizable assets:—

Advances to Hydro-Electric Power Commission of Ontario	$187,877,835.30
Advances to Temiskaming and Northern Ontario Railway Commission	37,207,934.92
Accounts Receivable	9,906,788.54
Farm, Housing and Settlers' Loans	57,720,091.09
	$292,712,649.85

Contingent Liabilities

In addition to its direct debt, the Province has guaranteed the principal and interest of debt incurred by the following:

Hydro-Electric Power Commission of Ontario	$77,852,856.67
Temiskaming and Northern Ontario Railway Commission	6,000,000.00
Public and Separate Schools	2,971,880.15
Niagara Parks Commission	1,968,000.00
Cities and Towns under authority of the Municipal Housing Act	1,484,460.29
University of Toronto	1,326,730.63
University of Western Ontario	393,000.00
Sandwich, Windsor and Amherstburg Railway Company	6,816,205.00
Cold Storage and Co-operative Marketing	96,906.00
Miscellaneous	528,754.73
	$99,438,793.47

Taxable Property

Assessed value of all property within the Province	$3,183,000,000.00

Estimated Potential Revenue Resources—

Log Timber, Pine, Spruce, Poplar, etc.	$241,050,000.00	
Pulpwood Timber, Ties, Poles, etc.	337,200,000.00	
Crown Lands	23,000,000.00	
Water Powers	55,000,000.00	
Fish, Game and Fur	15,000,000.00	
Mines	20,000,000.00	$691,250,000.00

BUDGET FORECAST
(Fiscal Year Ending March 31, 1937)

Ordinary Revenue	$72,283,813.99
Ordinary Expenditure (not including Unemployment Relief)	59,085,828.35
Excess of Ordinary Revenue Over Ordinary Expenditure	$13,197,985.64
Estimated Net Expenditure on account of Unemployment Direct Relief and the administration thereof	12,600,000.00
Surplus Forecast	$ 597,985.64

RIGID economies instituted by the present government have in no small way helped to maintain and advance Ontario's credit. During the first seven weeks of the current fiscal year buoyant revenues have shown an increase of $7,000,000 over same period last year. The funded debt of the Province has decreased during this period and a surplus of revenues over expenditure in ordinary account is confidently anticipated.

For the fiscal year ended 31st March, 1936, all Province of Ontario obligations amounting to over $32,900,000 principal and $29,367,437 interest, have been met in the exact terms of the contract. In addition, there have been retired **before maturity**, bonds and treasury bills exceeding $8,000,000. Since the commencement of the fiscal year beginning 1st April, 1936, by reason of bonds retired, the funded debt of the Province has actually been **decreased** by several millions of dollars.

In area the Province embraces 407,262 square miles, and has a population greater than 3,400,000 people.

The total mineral output in 1934 from Ontario's mines was $145,800,000 and for 1935 the total was $159,000,000.

The latest figures available for production of nickel, copper and other base metals, for the calendar year of 1935, amount to more than $54,600,000.

Within Ontario is found potential wealth equal to one-half of that of the whole of Canada. Boundless timber limits, tremendous mineral resources, fish, game, fur, an agricultural industry that annually markets over $500,000,000 worth of produce, manufacturing industries that with an annual production approaching $2,000,000,000 in value place Ontario first among the Provinces of Canada, a network of railways, highways, waterways and airways, — are some of the assets of Ontario.

Year by year Ontario continues to lead all provinces in gold production, and 1935 was no exception to the rule. Gold production in the province during 1935 was estimated at the new high level of 2,220,171 fine ounces. This compares with total gold production of 2,105,341 fine ounces in the preceding year.

When you buy an Ontario bond you have the security of the taxing powers of the Province together with the vast potential assets to be found within the boundaries of Ontario.

For Further Information Apply

Treasury Department, Parliament Buildings
Queen's Park, Toronto

MITCHELL F. HEPBURN,
Prime Minister and Provincial Treasurer.

Manitoba

(Continued from page 15)

mated surplus of $104,770. The government, however, increased the exemptions for married men under the tax on wages and income so that a reduction of $400,000 in revenue under these acts is estimated.

While Alberta has undertaken a forced reduction of interest on its bonds and Saskatchewan has made application for conversion under a loan council scheme, it appears that Manitoba may be able to pull through without resort to such measures. Reduction of relief expenditures is the chief problem facing the province.

Income Highest in History

It is noteworthy that Manitoba's government income in 1935-36 was the highest in its history, due to increased taxation and improving economic conditions. If income continues to rise as business improves and relief costs are cut a genuinely balanced budget will be in sight.

Gross debenture debt of the province has increased by $32.7 millions in the past five years and net funded debt by $26.4 millions. Of this amount $13.8 millions is due to relief expenditures and $4.5 millions to loans made to Manitoba cities on relief account. The net increase in 1935 was $2.3 millions.

Indicative of the improvement in the credit of the province is the sale of an issue of debentures in August, 1935, at a cost basis of 3.99 per cent while the cost basis of an issue made in 1932 was 6.78 per cent.

PROVINCIAL FINANCES

Current revenue of the province for the fiscal year ended April 30, 1935, amounted to $14,383,862 and expenditure $14,224,427. Comparison with 1934 follows:

Revenue

Department:	1935 $	1934 $
Dominion of Canada..	1,716,464	1,705,340
Attorney-General	1,221,346	1,185,237
Agricul. & immigra. ..	2,850	2,456
Education	145,039	155,628
Legislation	4,566	5,325
Provincial secretary ..	61,872	56,135
Public works	116,607	124,448
Treasury	1,665,695	1,849,565
Munic. commissioner..	7,162,423	6,759,934
'Phones & telegraphs.	1,049,095	1,053,983
Health & pub. welfare	236,158	241,432
Old age pensions	380,120	395,386
Min. & nat. resources	619,606	432,051
	14,383,862	13,966,921

Expenditure

Department:	1935 $	1934 $
Public debt	6,974,494	6,707,544
Legislation	171,759	178,812
Executive council	26,241	27,686
Treasury	116,891	115,130
Prov. secretary	23,976	23,822
Education	1,697,394	1,853,222
Agricul. & immigra. ..	259,144	276,050
Attorney-General	627,327	634,231
Public works	1,206,022	1,185,783
Municipal comm.	170,869	158,399
Health & pub. welfare	1,829,459	1,849,622
Mines & nat. resources	481,104	452,747
Old age pensions	589,746	540,486
	14,224,427	14,003,532

Brandon

Heavy relief costs and poor tax collections have resulted in serious financial difficulties for Brandon, the second largest city in Manitoba. The city is struggling to stave off default and it is possible it will be brought under the supervision of the provincial government before the end of the year.

Tax collections recorded a severe drop in 1935, receipts of current taxes amounting to only 58 per cent of the levy and total collections to 85 per cent.

Bank loans at the end of 1935 amounted to $456,699, against which the Imperial Bank held as security $71,000 of province of Alberta bonds, a hypothecation of tax arrears and tax sale lands, titles to certain properties held for tax sale and $250,000 of debentures.

Included in the gross debenture debt of $2.9 millions is $650,000 of debentures issued to fund tax arears.

Population: Present, 17,486: five years previously, 17,560. Area, 5,460 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 624,829
Expenditure	615,440
Assessed value for taxation ...	11,270,051
Exemptions not included above	6,940,435

Tax rate, 1935: General, 11.4; debenture, 11.7; school, 15.4; total, 38.5 mills.

Total taxes in arrears, $529,867. Last year's tax levy, $460,418; amount uncollected, $204,102.

Assets and Liabilities

Value of assets	$3,629,056
Total debenture debt	2,970,979
Total sinking fund	1,810,006
Sink. fund in arrears	179,425
Other liabilities	563,410

Debenture Debt

	Deb's. outstand.	Sink fund on hand
Public utilities	$ 684,415	$ 436,596
Local improvements:		
Ratepayer's share .	443,708	277,764
City's share	22,339	5,490
General debentures ..	1,820,517	1,090,156
Total	2,970,979	1,810,006
Other Debentures Not Included Above		
Schools	$ 782,000	$ 393,429
Bonds guaranteed ...		95,000

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 54,280	11,978
Cemetery	80	‡80

*After operating charges only. †After depreciation, operating charges, and interest and sinking fund on debt. ‡Deficit.

Portage la Prairie

Portage la Prairie has not published its financial statement for 1935 as yet. It is not expected there will be much change in its position from the previous year, details of which are given below:

Population: Present, 6,499; five years ago, 6,025. Area, 5,691 acres.

Income and Assessment
Year Ended December 31, 1934
(latest available)

Current revenue	$ 105,041
Current expenditure	116,101
Assessed value for taxation	4,220,161
Exemptions not included	2,935,404

Tax rate, 1934: General, 23,528; debentures, 4; schools, 13; parks, 1.750; municipal comm., .722; total, 43 mills.

Total tax arrears, $141,119; last year's levy, $188,421; uncollected, $68,452.

Assets and Liabilities

Value of assets	$1,758,563
Total debenture debt	1,184,500
Total sinking fund	538,397

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$899,000	$405,648
General	285,500	132,749
Total	$1,184,500	$538,397

Public Utilities

	*Net earnings	†Net profits
Waterworks	$43,476	‡$2,160
Electric light	25,037	8,247

*After op. charges. †After all charges. ‡Deficit.

St. Boniface

While St. Boniface had a deficit on general revenue account of $303,555 in 1935 after charging cost of relief and unpaid interest and sinking fund installments, cash receipts exceeded cash expenditures by approximately $143,000. This enabled the city to liquidate its bank loan of $49,900, reduce other current liabilities by $55,700 and increase its funds on hand by $27,100. At the end of the year there was a cash balance of $57,705 against which there were outstanding vouchers of $57,705.

In default since Nov. 1, 1932, the city owes $321,861 in defaulted principal, $867,187 in debenture interest and $1,746,975 of sinking fund installments. The city is operating under the supervision of the provincial government, W. C. McKinnell being the supervisor.

Population: Present, 16,382; five years ago, 16,321. Area, 11,641 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 617,492
Expenditure	923,047
Assessed value for taxation ...	8,951,420
Exemptions not included	3,417,330

Tax rate, 1935: General, 13; school, 22.5; debenture, 26; prov. govt., 1.5; total, 63 mills.

Total tax arrears, $413,425; tax sale titles and certificates, $3,096,353; last year's levy, $663,679; uncollected, $224,338.

Assets and Liabilities

Value of assets	$4,078,106
Total debenture debt	4,718,661
Total sinking fund	†601,134
Sinking fund arrears	1,810,950
Other liabilities	254,205

†Computed.

Debenture Debt

	Deb's. outstand.	Sink. fd. on hand
Public utilities	$ 694,120	
Local improvements:		
Ratepayer's share .	776,980	
City's share	644,692	665,109
General	2,500,007	
Instal. debs., bridges	132,360	
Total	4,748,161	665,109

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 69,582	$ 15,871

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Winnipeg

Winnipeg, the capital of Manitoba and the fourth largest Canadian city, has reduced its net debenture debt by $7 millions in the past 3 years. In 1935 the reduction was $2.6 millions. This, however, has been offset by an increase in floating debt to over $7 millions, an increase of $2.3 millions over 1934. Bank overdrafts at Dec. 31 last amounted to $4.3 millions, of which $2.9 millions was on unemployment relief account, $904,514 on current account and $404,414 on capital account. Treasury bills issued to the Dominion government against relief loans totalled $2.7 millions.

Excluding the city's share of unemployment relief, which amounted to $1.8 millions from expenditures, the city had a surplus of $563,228 on general account in 1935. Including relief costs and losses on public utilities the actual deficit was $1.3 millions.

Tax revenue has shown a steady decline since 1931. This has been almost entirely due to a drop of $32 millions in realty assessment.

Population: Present 224,998; 1921, 179,087. Area, 15,287 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Budget revenue	$11,431,324
Budget expenditure	10,868,095
Assessed value for taxation	200,564,700
Exemptions not included	49,380,450

Tax rate, 1935, 34½ mills.

Total tax arrears, $5,909,672: last year's levy, $9,468,717; uncollected $2,976,195.

Assets and Liabilities

Value of assets	$64,461,989
Total debenture debt	64,882,504
Total sinking fund	32,002,844
Floating debt	7,018,409

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$37,685,559	$15,985,705
Local improvements:		
Ratepayers' share	8,932,181	6,315,073
Schools	8,250,000	3,463,560
General	10,014,764	6,238,506
Total	64,882,504	32,002,844

Public Utilities

	Revenue	†Net profits
Waterworks	$1,352,610	▲$74,618
Electric light	3,496,818	‡219,421
Housing scheme	137,607	8,570
Steam heating	365,933	‡4,300

†After operating and fixed charges.
‡Deficit. ▲After transferring $210,000 to general account.

Saskatchewan

Realizing the seriousness of its financial plight and the grave consequences of either default or forced conversion Saskatchewan has asked financial assistance from the Dominion government under a loan council scheme. Whether conversion of the entire funded debt under a Dominion guarantee or merely refunding of outstanding issues as they mature will be undertaken is not known, but legislation setting up a loan council, will be brought during the present session by the federal government. On the strength of its request for a loan council Saskatchewan obtained a loan from the Bank of Canada to meet its $2 million maturity on June 1.

In the year ended April 30, 1936, there was considerable improvement in Saskatchewan's economic and financial position. While definite figures are not available, it is estimated the deficit on ordinary account, exclusive of unemployment relief, was reduced to less than $1 million, compared with a deficit of $2.7 millions in the year ended April 30, 1935. Further improvement is expected in the current fiscal period, a deficit of $371,077 being budgetted for on ordinary account.

Deficit Hard to Calculate

Because of involved accounting procedure it is difficult to determine the province's actual deficit and the amount expended by the province on relief. In the year ended April 30, 1935, however, there was an increase of $25 millions in the funded and treasury bill debt, after deduction of sinking funds.

The public debt of the province as at Dec. 31, 1935 was $186,550,507, but from this must be deducted $8,997,834 of accountable advances from the Dominion government representing expenditures in the drouth area, leaving the debt at $177,552,669. Of this amount $128,159,166 is funded and the balance is in treasury bills and bank overdrafts. Of the treasury bills outstanding the Dominion government holds a total of $42.4 millions. This is in addition to the accountable advances referred to above.

Even if refunding of debenture debt at a lower rate of interest is undertaken under a loan council scheme, the province will have considerable distance to go before solving the question of deficits and of balancing its budget. Savings as a result of reduction in interest rates would not bring the budget into true balance although it would enable the province to show a substantial surplus on ordinary account, exclusive of relief expenditures. The chief needs of the province so that the budget can be really balanced are better crops and reduced relief expenditures.

PROVINCIAL FINANCES

Revenue

Department:	1934-35 $	1933-34 $
Dominion subsidy	2,144,975	2,128,889
School lands	1,053,078	985,302
Treasury	5,186,896	5,335,734
Attorney-General	548,206	482,163
Provincial secretary ..	653,745	1,145,067
Public works	224,072	187,829
Highways	2,886,265	2,995,754
Education	173,222	176,320
Agriculture	27,607	37,966
Municipal	31,179	18,537
Public health	40,744	34,340
Rlys., labor & indus...	......	65,203
Child protection	8,664	7,710
Insurance	74,551	74,588
King's printer	10,934	13,472
Legislation	357	1,163
Publications	518	1,403
Natural resources	600,294	556,362
Local gov't. board	2,757	4,963
Executive council	4,799	......
Public welfare	13,869	......
	13,686,733	14,252,766

Expenditure

Department:		
Legislation	151,108	163,065
Executive council	292,956	79,891
Attorney-General	769,206	811,343
Provincial secretary ..	23,001	12,166
Treasury	7,059,634	6,834,051
Public works	1,220,630	1,079,812
Highways	984,497	922,341
Education	2,631,787	2,475,554
Agriculture	321,823	355,305
Municipal	78,873	84,960
Local gov't. board	26,881	26,828
Public health	1,179,810	1,111,046
Rlys., labor & indus...	......	172,143
Child protection	521,897	492,285
Insurance	4,945	6,505
King's printer	20,984	18,995
Publications	30,066	27,933
Public service comm..	11,447	12,509
Superannuation admin.	8,710	3,329
Natural resources	407,729	425,184
Old age pensions	574,918	531,513
Public welfare	75,012	......
	16,395,914	15,646,758

Province of Saskatchewan Financial Statement

Assessed value of all property (provincial estimate)		$1,129,447,552
Gross funded debt (as at April 30, 1935)		121,109,740
Less: Revenue-producing debt (net)	$55,342,111	
Sinking funds	8,449,761	63,791,872
Net debenture debt		57,317,868
Gross funded debt (as at Dec. 31, 1935)		128,159,166
Treasury bills not included in funded debt		53,604,646
Guarantees (after deducting $27,392,910 in respect of debentures of railways all of which are now owned and operated by C.N.R.)		5,386,800
Revenue for the fiscal year ended April 30, 1935		14,252,766
Expenditures for the fiscal year ended April 30, 1935		15,646,759

LOANS OUTSTANDING
(As at March 1, 1936)

Maturity	Rate	Amount	Payable
1 May, 1936	4½%	$2,002,000	R. W. T. M. St.J. V. N.Y. (G)
1 June, 1936	3½%	1,000,000	R. W. T. M. St.J. V. N.Y.
1 July, 1938	6%	1,500,000	R. T. M. N.Y. (G)
1 May, 1939	5%	3,000,000	R. T. M. N.Y. (G)
1 Oct., 1940	6%	3,000,000	R. T. M. (C)
15 Sept., 1942	5%	2,638,000	R. W. T. M. N.Y. (G)
15 June, 1943	5%	3,155,000	R. W. T. M. N.Y. (G)
15 Apr., 1944	5%	3,325,000	R. W. T. M. St.J. V. (C)
1 Oct., 1944	4½%	3,401,500	R. W. T. M. St.J. V. L. (P) (C)
2 July, 1945	4½%	2,250,000	R. W. T. M. St.J. V. N.Y. L. (G) (P)
15 Sept., 1945	4½%	3,000,000	R. W. T. M. St.J. V. (C)
1 May, 1946	4½%	300,000	R. (C)
15 Nov., 1946	5½%	5,000,000	R. W. T. N.Y. (G)
1 Jan., 1949	4% Sterling	1,829,380	M. L. (P)
1 May, 1950	4½%	147,800	R. (C)
1 June, 1950	5% Farm loan	266,100	R. (C)
1 Oct., 1950	5% Farm loan	1,932,120	R. (C)
1 Jan., 1951	4% Reg. stock	3,687,650	R. L. (P)
1 Oct., 1951	4½%	13,752,000	R. W. T. M. St.J. V. N.Y. (G)
15 Mar., 1952	6%	7,980,000	R. W. T. M. St.J. V. (C)
1 Oct., 1952	5½%	4,500,000	R. W. T. M. St.J. V. (C)
15 Aug., 1953	4%	3,000,000	R. W. T. M. St.J. V. (C)
1 Jan., 1954	4½% Reg. stock ..	1,942,647	R. L. (P)
1 June, 1954	5% Farm loan	1,173,600	R. (C)
1 Sept., 1955	4%	5,000,000	R. W. T. M. St.J. V. (C)
1 Nov., 1954	4½% Farm loan ..	253,860	R. (C)
1 Sept., 1955	4½%	4,000,000	R. W. T. M. St.J. V. N.Y. (G)
1 Sept., 1955	4½% Farm loan ..	754,820	R. (C)
1 Jan., 1956	4½% Farm loan ..	500,000	R. (C)
1 June, 1956	4½% Farm loan ..	334,500	R. (C)
1 Dec., 1956	4½%	2,500,000	R. W. T. M. St.J. V. N.Y. (G)
15 Jan., 1957	4½%	1,468,500	R. W. T. M. St.J. V. N.Y. (G)
1 June, 1957	4½%	2,471,000	R. W. T. M. St.J. V. N.Y. L. (G) (P)
15 Sept., 1957	4½%	336,300	R. (C)
15 Nov., 1957	4%	1,830,000	R. W. T. M. St.J. V. N.Y. (G)
1 May, 1957	5½% Farm loan ..	500,000	R. (C)
2 Jan., 1958	4% Farm loan	82,240	R. (C)
15 May, 1936	4%	1,500,000	R. W. T. M. St.J. V.
1 Aug., 1958	5½% Farm loan ..	194,500	R. (C)
1 Aug., 1958	5%	3,500,000	R. W. T. M. St.J. V. (C)
1 May, 1959	4½% Farm loan ..	402,400	R. (C)
1 Nov., 1959	5%	2,000,000	R. W. T. M. St.J. V. N.Y. (G)
1 Nov., 1959	5%	1,500,000	R. W. T. M. St.J. V. N.Y. (G)
1 Nov., 1959	5%	1,500,000	R. W. T. M. St.J. V. N.Y. (G)
2 Dec., 1959	5%	3,500,000	R. W. T. M. St.J. V. N.Y. (G)
1 Jan., 1960	5% Farm loan	3,000,000	R. (C)
1 Feb., 1960	5%	965,000	R. W. T. M. St.J. V. N.Y. (G)
15 Mar., 1960	4½%	3,200,000	R. W. T. M. St.J. V. N.Y. (G)
1 Apr., 1960	4½% Farm loan ..	134,350	R. (C)
15 July, 1960	4½%	1,000,000	R. W. T. M. St.J. V. N.Y. (G)
1 Aug., 1960	4%	4,000,000	R. W. T. M. St.J. V.
1 Nov., 1960	4%	3,500,000	R. W. T. M. St.J. V.
1 July, 1961	4½% Farm loan ..	10,980	R. (C)
1 Oct., 1961	5% Farm loan	927,940	R. (C)
1 Nov., 1963	5% Farm loan	491,200	R. (C)

There are also other contingent liabilities and guarantees.

N.Y., New York; M., Montreal; T., Toronto; R., Regina; W., Winnipeg; V., Vancouver; L., London, Eng.; St.J., Saint John, N.B.

(G), Gold; (P), Par of exchange; (C), Canadian currency.

Moose Jaw

Moose Jaw during the past two years has reduced its net debenture debt by $230,684 and its floating liabilities by $197,208. Bank loans were reduced in 1935 by $56,163 to $468,571. Of this amount $195,000 is for capital purposes pending the issue of debentures. Sinking funds at the end of 1935 were $267,264 in excess of requirements.

Tax collections have been very poor during the depression year so that tax arrears are now in excess of a year's levy. During the past 2 years collections of current taxes have amounted to only 52.8 per cent of the levy.

Population: Present, 21,000 (est.); five years ago, 21,000 (est.). Area, 9,760 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,092,548
Expenditure	893,465
Assessed value for taxation ...	18,164,840
Exemptions not included	8,880,695

Tax rate, 1935: General, 24.00; public rev., 2.10; library, .50; school, 20.10; total, 46.7 mills.

Total tax arrears, $1,238,197; last year's tax levy, $906,239; uncollected, $428,087.

Assets and Liabilities

Value of assets	$10,768,963
Total debenture debt	5,715,412
Total sinking fund	2,280,739
Bank loans	468,160
Other liabilities	874,571

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$2,460,593	$1,104,670
Local improvements:		
Ratepayers' share ..	595,544	248,970
City's share	113,806	42,407
School	280,670	34,975
General	2,264,948	849,716
Total	5,715,562	2,280,739
Sinking fund in excess of legal requirements		$267,264

Public Utilities

	*Net earnings	†Net profits
Waterworks	$105,453	$2,490

* After operating expenses only. †After operating expenses, interest and sinking fund on debt.

Prince Albert

Net debenture debt of Prince Albert has declined by $82,745 during the past two years to $2.4 millions. This is exclusive of school debt. Bank loans total $154,000 and other liabilities $183,276. Of the latter, $173,716 is comprised of uncollected school and provincial taxes.

Accumulated tax arrears are large amounting to $339,699 and tax sale lands to $544,612.

Population 1931, 9,905. Area 9,713 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$382,542
Current expenditure	372,850
Assessed value for taxation	6,721,413
Exemptions not included	3,530,465

Tax rate 1935: General 14.09; debenture 13.61; high school 3.80; public school 14.50; separate school 11.50; prov. rev., 2; total 48 and 45 mills.

Total tax arrears, $430,569, last year's levy $371,692, uncollected $148,094.

Assets and Liabilities

Value of assets	$4,168,504
Total debenture debt	3,421,634
Total sinking fund	1,074,423
Bank loans	154,000
Other liabilities	183,276

†Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$580,185	$170,261
General	2,841,449	849,746
Sink. fund surplus ...	......	54,416
Total	3,421,634	1,074,423

†Exclusive of school debt.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$52,631	$10,521
Cap. exp. from rev.	......	463

*After operating expenses only.
†After all charges.

(Continued on page 17)

1866 1936

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Population, 81,621.

Edmonton has largest Butter output in Canada, large Stockyards, unlimited supply of Coal, Natural Gas. Shipping point for great northern fur trade.

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SASKATCHEWAN

Radiates Confidence

Notwithstanding the depression and series of crop failures over vast areas, Saskatchewan has met all obligations promptly and will recover quickly.

SASKATCHEWAN

AGRICULTURE

Long recognized as Canada's great agricultural province, Saskatchewan has 32,000,000 acres of arable land under cultivation, with additional fertile soil available for the enterprising pioneer.

CROP PROSPECTS

After several years of drouth and pestilence, the present outlook is more encouraging than at any time since 1928. Rehabilitation activities on behalf of agriculture which have centred in Saskatchewan promise the utmost possible protection for the twenty million or so acres that have been seeded.

MINERAL RESOURCES

The great value of Saskatchewan's mineral wealth cannot be estimated at present. In the northern portion of the province lies 80,000 square miles of the great pre-Cambrian Shield, containing rich deposits of iron ore, copper, nickel, pitchblende and gold. Large lakes provide an endless number of excellent sites for hydro-electric power development. The coal deposits of southern Saskatchewan occupy an area of 13,406 square miles. Other mineral resources include sodium sulphate, oil, gas, common salt, volcanic ash and fire clay. At no very distant date Saskatchewan will take its place among the leading mineral producing sections of Canada.

INDUSTRIAL POSSIBILITIES

With the probability of greatly improved conditions and with the unfolding of the province's vast natural resources, Saskatchewan daily affords new possibilities as a location for industrial enterprises.

TREASURY DEPARTMENT

Honourable W. J. Patterson
Premier and Provincial Treasurer

A. Perring Taylor, C.A.
Deputy Provincial Treasurer

Saskatchewan

(Continued from page 16)

North Battleford

North Battleford is one of the best managed municipalities in western Canada, its net debenture debt being further reduced in 1935 to $491,797. This is a reduction of over $113,000 in the past three years.

On current account, the city also enjoys an excellent position. Current assets at Dec. 31 last totalled $133,870 as against current liabilities of $84,296. Bank loans amounted to only $12,000 and included in current liabilities was accrued debenture interest of $25,982.

While the city had an operating deficit of $18,119 on general account in 1935, a surplus of $1,780 is shown when profits of the public utilities are taken into account.

Population: Present, 5,959; 5 years previously, 4,787. Area, 4,450 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 113,894
Expenditure	132,013
Assessed value for taxation	3,269,465
Exemptions not included	1,660,081

Tax rate, 1935: General, 9.73; debenture, 6.62; school, 23.24; prov. levy, 2.41; total, 42 mills.

Total tax arrears, $103,891. Last year's tax levy, $160,728; uncollected, $27,923.

Assets and Liabilities

Value of assets	$ 788,597
Total debenture debt	1,025,250
Total sinking fund	532,296
Other liabilities	84,296

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 404,000	$ 162,490
Local improvements	217,750	83,716
School	155,000	98,875
General	248,500	187,215
Total	1,025,250	532,296

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 26,148	$ 10,633
Electric light	15,023	11,642

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Swift Current

Swift Current has been operating under a board of supervisors since 1923. Under the terms of an arrangement with bondholders the city is supposed to pay interest at the rate of 3½ per cent until 1937 and thereafter at the original rate. During the past three years the city has not been able to pay even 3½ per cent. One per cent was paid on account in 1934. In 1935 no interest was paid but early in 1936 supervisors ordered that one per cent be paid on account of 1934 interest and one per cent on account of 1935 interest.

Population: Present (est.) 5,000; 1926, 4,178. Area, 5,800 acres.

Income and Assessment
Year Ending December 31, 1935

Revenue	$ 208,835
Expenditure	202,460
Assessed value for taxation	3,342,850
Exemptions not included	1,179,815

Tax rate, 1935: General, 29.93; schools, 10.07; total, 40 mills.

Last year's tax levy, $142,780; uncollected, $50,209; total tax arrears, $698,019. Tax sale lands held, $621,852.

Assets and Liabilities

Value of assets	$2,657,554
Total debenture debt	1,441,126
Total sinking fund	356,502
Floating debt	212,284

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$842,835	$260,415
Schools	246,500	......
Other	351,791	96,087
Total	1,441,126	356,502

Public Utilities

	*Net earnings	†Net profits
Waterworks	$22,281	$18,209
Electric plant	40,627	29,872

*After operating charges only. †After operating charges, interest and s.f. No depreciation charged.

Regina

High relief costs, heavy debt charges and poor tax collections have resulted in serious financial difficulties for Regina, the capital city of Saskatchewan. Despite adverse circumstances it has been able, however, to meet all of its obligations to date and if economic recovery in western Canada continues should be able with the aid of its sinking fund to come through without default.

In addition to a heavy debenture debt the city has a large floating indebtedness. Bank loans at the end of 1935 amounted to $955,551 of which $334,000 was for capitalization of relief and secured by hypothecation of debentures. Capital loans from the provincial government secured by debentures totalled $439,000.

After capitalizing direct relief costs, the city showed a surplus of $81,350 on its operations in 1935.

Included in sinking fund are $736,100 of coupons of rural municipal debentures which are in arrears.

Population: Present, 53,034; 10 years ago, 39,329. Area, 8,408 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$3,695,739
Current expenditure	3,614,388
Assessed value for taxation	42,554,530
Exemptions not included	14,941,450

Tax rate, 1935: General, 27.43; collegiate, 5.85; public schools, 14.55; library, 1.0; govt. tax, 2.17; total, 51 mills. (Separate schools, total 55.95 mills).

Total tax arrears, $1,408,484. Last year's tax levy, $2,418,349; amount uncollected, $997,019.

Assets and Liabilities

Value of assets	$24,008,999
Total debenture debt	16,855,423
Total sinking fund	6,582,610
Other liabilities	2,576,960
Sinking fund in arrears	141,061

Debenture Debt

	Deb's. Outstanding	Sink. Fund on Hand
Public utilities	$6,643,570	$2,667,143
Local improvements:		
Ratepayer's share	2,427,937	1,085,664
City's share	1,457,365	790,119
General	6,326,551	2,039,684
Total	▲16,855,423	6,582,610

Sinking fund investment, reserve and surplus, $367,091.

▲Includes unsold debentures of $1,865,500 of which $879,728 are hypothecated against bank and provincial government loans.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 295,737	$ 70,937
Electric light	698,487	483,315
Street railway	64,887	‡88,977
	1,059,111	465,275
Less adminis. chgs.	17,000	17,000
	1,042,111	448,275

*After operating charges only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

Saskatoon

Saskatoon, important distributing centre for a large farming area, had a surplus in 1935 of $34,178 after deduction of portion of direct relief costs funded. This is the first surplus reported by the city since 1929.

While the city is faced with serious financial difficulties it is possible that it will pull through with the aid of its large sinking fund, especially if conditions in the west improve. To date there has been no indication of a danger of default. Low tax collections and large relief costs have been mainly responsible for the city's difficulties. Receipts of current taxes in 1935 amounted to only 58 per cent of the levy and accumulated tax arrears, after deduction of reserves, are considerably in excess of a year's levy.

Important factors in enabling the city to meet its obligations in recent years have been excess earnings of the sinking fund and surpluses on operations of the city's public utilities.

The city's share of relief costs in 1935 were $290,671. Of this amount, $219,564 was capitalized. As a result of the province assuming 80 per cent of relief costs in 1936 instead of 66 per cent as before, it is expected that the amount to be capitalized in 1936 will be $142,000.

Population: Present, 43,025; 1930, 31,234. Area, 8,480 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$1,367,719
Current expenditure	1,333,541
Assessed value for taxation	34,113,870
Exemptions not included	8,937,805

Tax rate, 1935: General, 13.64; debenture, 4.53; pub. school, 15.75; high school, 7.87; library, .98; pub. rev., 2.18; total, 44.95 mills.

Total tax arrears, $2,969,169. Last year's levy, $1,786,381; amount uncollected, $748,793; tax revenue, $895,340.

Assets and Liabilities

Value of assets	$20,067,234
Total debenture debt	16,372,825
Total sinking fund	6,450,234
Sink. fund arrears	99,862
Bank loans	1,091,013
Other liabilities	1,359,465

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$4,145,758	$2,180,969
Local improvements:		
Ratepayers' share	2,889,667	1,324,616
City's share	1,293,596	665,761
General	5,368,035	1,493,881
Surplus S. F.		223,038
School	2,875,770	561,969
Total	16,372,825	6,450,234

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 138,619	$ 50,226
Electric light	399,144	294,524
Street railway	49,564	‡62,144
Motor bus	‡	‡776

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

Weyburn

Weyburn has been able to maintain a sound financial position during the depression, reducing its net debenture debt to $399,266. While $22,346 was owing by the city to its sinking fund at Dec. 31 last, the fund was actually in excess of requirements.

During 1935 the surplus of revenue assets over revenue liabilities was reduced from $376,967 to $308,860. Bank loans at the end of 1935 amounted to $10,563 and accounts payable to $32,291. Principal items in revenue assets at the end of 1935 were $260,652 of tax arrears, $121,411 of tax title property and $79,279 of accounts receivable.

Population: 1931, 5,002; 1926, 4,119. Area, 3,328 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 120,310
Expenditure	139,531

Assets and Liabilities

Value of assets	$1,035,936
Total debenture debt	714,738
Sinking fund	315,471

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$376,285	$138,740
Local improvements	43,118	16,405
General	295,335	160,316
Total	$714,738	$315,471

Yorkton

In each of the past five years Yorkton has maintained its operations on a cash basis, budget estimates being strictly adhered to. Relief expenditures have been paid out of current revenue.

Net debenture debt stands at $260,445 compared with $287,463 at the end of 1934. This works out to $55 per capita which is considerably lower than the average per capita debt of Saskatchewan cities. Debenture debt as shown above includes $86,095 unsold debentures which are hypothecated against capital bank loans of $82,542, but does not include $145,244 of electric light debentures which have been assumed by Canadian Utilities Ltd. under a guarantee indemnity bond of $250,000.

Current bank loans declined during 1935 by $2,000 and capital bank loans by $12,200.

Population: Present, 5,151; 5 years previously, 5,000. Area, 2,800 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 103,697
Expenditure	95,525
Assessed value for taxation	3,944,169
Exemptions not included	2,119,140

Total tax arrears, $320,645; last year's levy, $189,401; uncollected, $64,647.

Assets and Liabilities

Value of assets	$ 818,451
Total debenture debt	260,445
Bank loans for current a/c	67,300

Debenture Debt

	Debentures outstanding
Public utilities	$ 180,896
Local improvements	30,490
General	25,839
School	23,221
Total	260,445
Unsold issued included in above	86,095

Alberta

Large deficits and as a result a steady growth of debt have brought Alberta face to face with bankruptcy. Rejecting financial help from the Dominion government in the form of the proposed loan council scheme on the grounds it would mean the surrender of provincial autonomy, Alberta went into default on principal on a loan maturing on April 1 last. It is the first province in Canada to default on an obligation.

Since that time the province has proceeded with its plans for forced conversion of the provincial debt at a lower rate of interest. While the necessary legislation for such action has been passed it is not being proclaimed at the present time, but an arbitrary reduction of interest rates to 2½ per cent put into force June 1. This leaves the way open for further negotiation between the Dominion and the province with regard to a guarantee of its debt by the federal government.

Borrows From Dominion

During the past few years the province has been able to finance itself only through loans from the Dominion government. As at March 31, 1936, these totalled $25 millions of which $16.5 millions had been loaned to enable the province to meet unemployment and agricultural relief expenditures and $8.5 millions to meet maturing debentures. With the province refusing to accept a loan council scheme this source of borrowing is closed. By a forced reduction of interest rates, however, the province hopes to balance its budget on all accounts.

In the 4 years ended March 31, 1935, there was an increase in the net funded debt of the province of $28.2 millions. In the 9 months ended Dec. 31, 1935, there was a further increase of $10.2 millions.

Deficits in recent years have been large. In the year ended March 31, 1935, there was a deficit of $1.7 million after providing for sinking fund payments of $716,225. In addition, there was a deficit of $343,709 on the provincial telephone system and unemployment and agricultural relief costs of $3.1 millions, bringing the total deficit to $5.2 millions. Deducting unemployment and agricultural reliefs from capital account there were net capital outlays of $1.3 millions.

While results for the year ended March 31, 1936, are not available indications are that the deficit will again be large. For the 5 months ended August 31, 1935, the deficit including unemployment relief was $2.8 millions which would indicate that the deficit for the year would be larger than in 1934-35. The government, however, initiated drastic economies and it is possible it will be about the same as in the previous year.

Having reduced expenditures and increased taxation, Alberta has budgetted for a surplus of $34,222 in 1936-37 as compared with an estimated deficit of $2.6 millions in 1935-36. This is after providing for direct relief expenditures of $1.4 million and sinking funds of $713,453, but does not take into consideration the estimate deficit of $300,000 on the Alberta telephone system.

PROVINCIAL FINANCES

Revenue

Department:	1934-35 $	1933-34 $
Dim. of Canada	1,771,475	1,757,317
Agriculture	260,499	230,199
Attorney-General	2,469,802	2,141,713
Education	169,166	168,477
Executive council	63,096	71,802
Legislation	1,242	1,502
Municipal affairs	1,247,125	1,106,548
Provincial secretary	4,827,065	4,635,508
Public health	384,067	362,864
Public works	116,537	107,761
Rlys. & telephones	223,998	424,134
Treasury dept.	2,994,001	3,234,136
Lands & mines	1,169,496	937,096
Trade & industry	200	......
	15,697,770	15,178,607
Less Salary deduct.	263,111	264,833
	15,434,658	14,913,774

Expenditure

Department:		
Public debt	......	6,199,243
Agriculture	394,722	453,784
Attorney-General	1,313,179	1,297,277
Education	2,269,286	2,435,699
Executive council	318,364	333,804
Legislation	239,834	242,203
Municipal affairs	244,338	224,217
Provincial secretary	98,643	93,410
Public health	1,399,290	1,319,810
Public works	1,701,883	1,640,161
Rlys. & telephones	70,046	60,959
Treasury	1,722,461	1,549,607
Lands & mines	522,987	462,408
Trade & industry	3,467	......
	10,298,483	16,312,5[illegible]
Less: Salary deduct.	263,111	264,833
	10,298,493	16,312,572
Sinking funds	716,226	744,067
Int. and other chgs.	6,421,119	......
	17,172,709	16,791,806

Province of Alberta Financial Statement

(As at December 31, 1935)

Assessed value of all property (provincial estimate)	$652,093,000.00
Net funded and unfunded debt	153,923,027.49
Sinking fund	10,516,831.70
Self-supporting debt or assets	30,279,332.72
Contingent liabilities (after deducting $32,233,658 of railways now owned and operated by C.N.R. or jointly by C.N.R. and C.P.R.	8,660,847.42
Current revenue (Year ended March 31, 1935)	15,697,770.48
Current expenditure (Year ended March 31, 1935)	17,435,821.37

LOANS OUTSTANDING
(As at December 31, 1935)

Maturity	Rate	Amount	Payable
1 Apr., 1936	6%	$3,200,000	M. T. E. (G) (2)
1 Nov., 1936	6%	1,250,000	M. T. E. (G) (2)
1 June, 1937	4½%	1,650,000	T. M. E. C. W. Y. N.Y.
1 June, 1938	4%	2,000,200	L. M. T. E. in $ at par
1 Jan., 1939	5½%	1,000,000	N.Y. M. T. E. (G) (3)
15 Jan., 1939	5%	2,500,000	N.Y. M. T. E. (G)
1 June, 1939	5%	750,000	M. T. E. (3)
1 Sept., 1939	5%	250,000	E.
15 Feb., 1940	5%	2,000,000	M. T. E. Wpg. V. (2)
15 Feb., 1940	5%	750,000	M. T. E. Vic.
15 Apr., 1940	4½%	750,000	M. T. E.
15 July, 1941	4½%	750,000	N.Y. L. M. T. E. (G)
1 Sept., 1941	6%	2,250,000	M. T. E. (G) (2)
1 Oct., 1941	6%	1,800,000	M. T. E. (G) (2)
1 Oct., 1941	6%	1,053,230	M. T. E.
1 Dec., 1941	6%	700,000	N.Y. M. T. E. (G)
15 Jan., 1942	4½%	1,250,000	N.Y. M. T. E. Vic. (G)
1 July, 1942	4½%	150,000	N.Y. M. T. C. E. Vic.
15 Sept., 1942	5%	2,948,000	N.Y. M. T. E. (G)
1 Nov., 1942	4% Reg. stock	53,908	L.
1 Apr., 1943	5%	3,500,000	N. Y. M. T. E. (G)
1 July, 1943	5%	2,000,000	M. T. E. L. (2)
1 Nov., 1943	4½% Reg. stock	2,948,421	L.
1 Nov., 1943	4½%	133,333	M. T. E. (G)
15 June, 1945	4½%	2,250,000	N.Y. M. T. E. G.
15 Jan., 1946	4½%	3,750,000	N.Y. M. T. E. L. (3)
1 Jan., 1947	5½%	3,846,000	N.Y. M. T. E. (G)
1 Mar., 1947	6%	5,000,000	M. T. E. W. C. V. (2)
1 Jan., 1948	5%	4,800,000	N.Y. M. T. E. (G)
15 Apr., 1950	5%	3,740,000	N.Y. M. T. E. (G)
1 Oct., 1951	4½%	5,649,000	T. M. Ed. W. C. V. N.Y.
1 Apr., 1952	5½%	3,000,000	N.Y. M. T. E. (G)
15 July, 1953	4%	1,000,000	M. T. E. W. C. or V.
15 Dec., 1949-54	4%	3,000,000	M. T. E. W. C. or V.
15 Oct., 1954	4½%	1,000,000	M. T. E. Wpg. Vic. (2)
15 July, 1955	5%	500,000	N.Y. M. T. E. (G)
1 Sept., 1955	5%	2,850,000	M. T. E. W. C. or V. (2)
1 Oct., 1956	4½%	6,000,000	N.Y. M. T. E. (G)
15 Jan., 1957	4½%	1,275,000	N.Y. M. T. E. Vic. (G)
1 Dec., 1957	4%	1,850,000	N.Y. M. T. E. C. V. (2)
16 July, 1958	4½%	3,500,000	N.Y. M. T. E. Wpg. C. V. L. (G)
1 Oct., 1958	4½%	5,915,000	N.Y. M. T. E. Wpg. C. V. L. (G) (2)
1 Jan., 1959	5%	7,400,000	L.
1 Oct., 1959	5%	6,000,000	T. M. E. W. C. V. N.Y. L. (3)
1 May, 1960	4½%	3,000,000	T. M. E. W. C. V. N.Y. (3)
1 Apr., 1961	4½%	5,000,000	T M. E. C. W. V. N.Y. (3)
1 July, 1966	4½%	546,000	N.Y. M. T. E.
1 June, 1967	4½%	1,364,500	V. Vic. E.
1 June, 1967	4½%	3,875,000	N.Y. M. T. E. Vic.
1 June, 1962-67	5%	£1,000,000	L. Eng. (1) (13)
15 Feb., 1974	5%	$ 500,000	E.
15 July, 1974	5%	250,000	E.
15 June, 1975	5%	130,000	E. Vic.
1 May, 1980	4½%	1,000,000	E.

There are contingent liabilities and guarantees to the amount above shown.

Dollar bonds are payable in London at par and in New York in gold.

Sterling stock is payable in London in £.

(2) 500 and 1,000. (3) 100, 500 and 1,000. (G) Gold.

Denominations $1,000 except where noted.

N.Y., New York; M., Montreal; T., Toronto; E., Edmonton; L., London, Eng.; C., Calgary; V., Vancouver; Vic., Victoria; Wpg., Winnipeg.

(1) Principal and interest payable in sterling.

(13) Redeemable at par on any interest date on or after Dec. 1, 1962, on six months notice.

Alberta Cities

Calgary

While Calgary tax collections improved in 1935, total tax collections amounting to 97.3 per cent of the levy, the city's financial position became increasingly serious. It is feared it may be forced to default before the end of 1936. Proposals have been made by civic officials for forced conversion of its debenture debt.

Operations of the city's general department resulted in a deficit of $51,619 after capitalizing $250,000 of relief expenditures.

During the year net debenture debt was reduced by $994,676 to $12.2 millions.

On current account, however, the balance sheet shows a substantial deficit. The excess of current liabilities over current assets at Dec. 31 last was $839,105, an increase of $473,422 over the previous year.

Sinking funds are in arrears $830,778 if treasury notes of $401,699 issued for 1932 levies is excluded from investments.

Population: Present, 83,761; five years ago, 81,636. Area, 25,368 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue (general only)	$4,204,796
Current expenditure	4,256,415
Assessed value for taxation	60,974,656
Exemption not included above	17,338,120

Tax rate, 1935: General, 11.9055; debenture, 14.7607; school, 20.8679; hospitals, 1.1272; parks, .8594; library, .4793; total, 50 mills. Provincial levy on land only, 2.85 mills.

Total tax arrears at end of 1934, $1,564,186; last year's levy, $3,653,542; uncollected, $911,563.

Tax sale lands and certificates held $4,001,122.

Assets and Liabilities

Value of assets	$31,624,226
Total debenture debt	21,540,974
Total sinking fund	9,317,515
Sinking fund in arrears	429,079
Other liabilities	3,056,909

Debenture Debt

	Deb's. Outstanding	Sink. Fund on Hand
Public utilities:		
Waterworks	$5,174,931	$2,275,643
Electric light & p.	2,977,871	1,956,436
Street railway	2,855,644	1,794,492
Hospitals	295,095	113,687
Local improvements:		
Ratepayers' share	1,790,886	3,177,256
City's share	1,029,441	
General	7,417,105	....
Total	21,540,974	9,317,515

Debentures not included in above, $2,511,700.

Public Utilities

	*Net profits
Waterworks	$ †7,413
Electric light	55,844
Street Railway	†78,660
Paving	1,795

*After operating expenses, depreciation, interest and sinking fund charges. †Deficit.

Drumheller

With tax arrears showing an increase, Drumheller has improved its position during the past two years. Debenture debt has been reduced from $200,604 at the end of 1933 to $146,397 at Dec. 31 last. In both years the city has reported a surplus. In 1935 revenue on general account exceeded expenditures by $2,385 and in addition the waterworks department showed a profit of $2,966 after all charges.

The city has no bank loans, cash on hand being more than sufficient to meet outstanding accounts.

Population: Present, 3,000; five years ago, 3,000. Area, 227 acres.

Income and Assessment
Year ended December 31, 1935

Revenue	$ 92,393
Expenditure	90,114
Assessed value for taxation	1,831,201

Tax rate, 1935: General and debenture, 25; school, 31; hospital, 3; library, 1; total, 60 mills.

Total tax arrears, $145,115; last year's levy, $145,430; uncollected, $44,039.

Assets and Liabilities

Value of assets	$236,756
Total debenture debt	102,664

Debenture Debt

	Debentures Outstanding
Public utilities	$ 30,171
Local improvements	67,243
General	5,250
Total	102,664
City's share of school district debs.	43,733

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 13,570	$,2966

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Edmonton

Edmonton had a deficit of $129,800 in 1935, after capitalizing $250,000 of relief charges, compared with a surplus of $100,338 in 1934.

During the year $1.9 millions of debentures were disposed of and as a result net debenture debt increased by $703,231 to $21,881,441. Included in this figure is the net debenture debt of $5,102,885 of the city's public utilities, which are not only self-supporting but yield the city a substantial profit. In 1935 the utilities had a combined profit of $1,126,958 after all charges and of this amount $905,048 was transferred to general revenue account.

While bank loans increased from $668,000 to $822,000, the total floating indebtedness was reduced during 1935 from $4 millions to $2.9 millions. This was accomplished by the sale of $1.2 millions of debentures to the sinking fund.

Of a total sinking fund of $10.9 millions, bonds in default either in principal or interest total $1.4 millions, of which amount $758,347 is past due. There is past interest in default of $166,600. It should also be noted that 48.2 per cent of the bonds and debentures held are debentures of the city of Edmonton.

Population: Present, 81,621; five years previously, 77,557. Area, 27,200 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$3,271,184
Current expenditure	3,400,984
Assessed value for taxation	54,613,530
Exemptions not included above	13,638,065

Tax rate, 1935: general, 28.90; school, 26.10; total, 55 mills.

Total tax arrears, $6,368,282; amount of tax levy, $3,742,982; amount uncollected, $792,165.

(Continued on page 18)

BONDS

Government Municipal
Public Utility
Industrial

BOUGHT — SOLD — QUOTED

Eastern Securities Company
Limited

HALIFAX SAINT JOHN, N.B. MONCTON
SUMMERSIDE CHARLOTTETOWN

1785 1936

SYDNEY, Nova Scotia, is in the very heart of the most important industrial centre of Canada east of Montreal and is located on the Island of Cape Breton.

The city proper with its population of upwards of 25,000 has one of the safest and most commodious harbors on the Atlantic seaboard of the North American continent. The tonnage borne on the waters of Sydney harbor during the last couple of years has exceeded that of all other harbors in Canada east of Montreal.

The Dominion Iron and Steel plant located at tidewater within the limits of the city is known throughout the world for the high quality of its steel rails and other products manufactured, all materials used being produced within the British Empire.

The coal operations of the Dominion Coal Company to the southward of the city contain some of the largest and most modernly equipped coal mines in the world, millions of tons of coal are produced annually and shipped principally by water to the St. Lawrence market and elsewhere.

The Nova Scotia Steel and Coal Company is to the northward of the city of Sydney and also produces large quantities of excellent coal. These industrial areas and the agricultural sections within the County of Cape Breton of which Sydney is the capital include a population of some 102,000 people.

From a financial standpoint the city of Sydney has been able to maintain a strong position during all the years of depression and has today a financial structure as sound as any community of its size in Canada.

The city of Sydney pays all its obligations on maturity according to the terms of the contract and has never defaulted in its bond interest or principal.

In 1935 Sydney was able to reduce its tax rate substantially and to show a surplus in the current operation for the year of over $30,000.00. If present conditions are maintained Sydney can confidently look forward to moderate progress and further tax rate reductions from year to year.

SYDNEY E. MUGGAH,
Mayor.

Sydney, N.S., May 13th, 1936.

1832 1936

In the United States

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BOSTON,
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Alpena County Courthouse, Alpena, Michigan. Wm. H. Kuni, architect. Henry C. Weber Construction Co., Bay City, contractor. D. M. Cooley, state engineer for PWA. Emil Schiebel, project engineer.

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ARCHITECTURAL Concrete was chosen for Alpena Courthouse because it lends itself naturally and gracefully to a distinguished design; because it is firesafe, weather-defying and maintenance-free — and because cost of construction was lower than with other materials under consideration.

Not only is this building designed to withstand the rigors of northern winters, but the placing of its concrete was actually carried on throughout the winter months.

Alpena Courthouse is one of many scores of important buildings designed in Architectural Concrete in recent months. This acceptance, accelerating so rapidly after years of service-testing in every climate, indicates that Architectural Concrete is one of the most important forward steps in modern building construction.

Architectural Concrete offers important possibilities for new commercial and public buildings in which you may be interested. Ask your architect and engineer about the advantages of this new technique in concrete construction. Or we will gladly send complete information.

PORTLAND CEMENT ASSOCIATION
Dept. A6-38, 33 W. Grand Ave., Chicago, Ill.

Alberta

(Continued from page 17)

Assets and Liabilities

Value of assets	$30,514,523
Total debenture debt	32,820,815
Total sinking fund	10,938,374
Other liabilities	2,912,183
Sinking fund in arrears	nil

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$7,233,517	$2,130,632
Local improvements:		
Ratepayers' share	3,020,562	1,169,791
†General	22,566,736	7,637,951
Total	32,820,815	10,938,374
Other debentures not included above:		
Schools		$3,166,929

†Of this debt $5,023,369 is exempted from provisions affecting the city's borrowing power.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 378,688	$ 114,758
Electric light	296,761	244,147
Street railway	150,505	32,018
Power plant	435,268	324,105
Telephone	359,983	190,020
	1,621,205	905,048

*After operating charges only. †After depreciation, operating expenses, interest and sinking fund.

Medicine Hat

While the city of Medicine Hat has been able to meet all of its obligations to date this has only been possible through deferrment of sinking fund installments. As at Dec. 31, 1935, the sinking fund was $926,505 in arrears. Bank loans amount to $57,000.

Securities held in the sinking fund against total requirements of $1.2 millions amount to only $258,975. Of this amount, $411,975 are in debentures of the city itself.

With sinking fund so far in arrears it is possible that refunding of maturing debentures will have to be undertaken in the future. With revenue on the upgrade it is possible this contingency will not develop until 1942 when $437,645 of bonds fall due. In 1936, $33,761 of debentures mature.

Population: 1934, 10,000; 1926, 9,536. Area, 11,000 acres.

Income and Assessment
Year ended December 31, 1935

Revenue	$ 889,805
Expenditure	884,312
Assessed value for taxation*	7,291,095

*Less exemptions and tax sale property.

Tax rate, 1935: General, 18; library, ¾; Alta. Govt., 1½; school, 20¾; total, 41 mills.

Total tax arrears, $410,560; last year's levy, $323,732; uncollected, $98,928.

Assets and Liabilities

Value of assets	$6,463,025
Total debenture debt	2,759,272
Total sinking fund required	1,213,778
Sinking fund in arrears	926,505
Other liabilities	192,420

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,188,661	$ 616,725
Local improvements:		
Ratepayers' share	171,064	48,645
City's share	192,383	55,714
General	1,207,164	492,694
Total	2,759,272	1,213,778

Public Utilities

	Gross profit	Net profit
Waterworks	$ 49,335	$ 3,670
Electric light	80,829	63,553
Gas	149,397	117,862

Lethbridge

Lethbridge is perhaps the only major city in western Canada that has actually improved its position during the depression. Not only has it had a surplus in each of the past five years, but it has paid relief costs out of current revenue, reduced its debenture debt and floating liabilities and wiped out sinking fund arrears.

Net debenture debt has been reduced since 1931 by $320,180 to $1,987,292 at the end of 1935. Of this amount, $614,379 is the net debenture debt of the city's public utilities which are self-supporting. Bank loans were reduced during 1935 from $147,000 to $74,000.

Population: Present, 14,000 (est.); 1930, 12,000. Area, 6,443 acres.

Income and Assessment
Year ended December 31, 1935

Revenue	$ 687,793
Expenditure	685,723
Assessed value for taxation	9,572,355
Exemptions not included	6,998,065

Tax rate, 1935: School, 18.06; other, 27.77; total, 45.83 mills.

Total tax arrears, $410,393; last year's levy, $545,533; amount uncollected, $109,311; tax reserve, $494,779.

Assets and Liabilities

Value of assets	$2,896,314
Total debenture debt	4,200,496
Total sinking fund	2,222,204
Other liabilities	74,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,599,687	$ 968,766
Local improvements:		
Ratepayers' share	484,421	222,815
General	1,813,856	1,014,073
School	302,533	......
Sinking fd. surplus	......	16,550
Total	4,200,497	2,222,204

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 61,898	$ 18,545
Electric light	158,665	87,536
Street railway	‡1,003	‡31,428

*After operating expenses only. †After operating expenses, interest and sinking fund debt. ‡Deficit.

British Columbia

As is indicated by the price of its bonds, British Columbia finances are not in a sound condition. The funded debt of the province in recent years has shown sharp increase largely as a result of unemployment relief expenditures.

In order to meet its obligations the province during recent years has found it necessary to borrow from the Dominion government. Total loans from this source at March 31, 1935, were $27.5 millions of which $11.2 millions was to meet bond maturities and $16.3 millions for relief.

At the present time British Columbia is faced with the problem of securing money for relief expenditures, the Dominion government being closed as a source as a result of the refusal of the province to submit to any supervision under a loan council scheme. It was able to meet a maturity of $3.5 millions on May 15 out of accumulated cash. The only large maturity to be met before 1939 is $1 million on July 8, 1938. As the province has a large sinking fund on which interest accumulates to the amount of $1.5 millions annually it is not expected that it will have any difficulty in the near future as to maturities.

As regards relief expenditures the situation is different, and it is possible the province will be forced to accept the loan council in order to obtain money for this purpose. It is hardly likely that it could be obtained in the open market. In the year ended Dec. 31, 1935, the sum of $7.5 millions was expended by British Columbia on relief.

Budget Experience

Exclusive of relief expenditures the province has been able to balance its budget and show a surplus in each of the past three years. This has been partly due to improving economic conditions which has resulted in an increase in revenue. In the year ended March 31, 1936, the surplus on ordinary account is estimated at about $2.3 millions, revenue amounting to $24.4 millions as against expenditures of $22.1 millions. This compares with a surplus of $1.7 millions in the 1933-34 fiscal period. These figures are after all expenditures excepting debt redemption and unemployment relief.

Unemployment relief expenditures in 1934-35 amounted to $5.8 millions and debt redemption provision to $593,752 so that the actual deficit amounted to $4.7 millions compared with $4 millions in 1933-34. Since details of relief expenditures in 1935-36 are not available the actual deficit for that year is not known. Despite the increase in the surplus on ordinary account it is expected that it will be larger than in the previous year.

During the past four years there has been an increase of $34 millions in the net debt of British Columbia. In the year ended Nov. 1, 1935, there was an increase of $7.9 millions. Of a net debt of $145.8 millions, $18.4 millions is revenue producing. With the exception of installments in connection with inscribed stocks in London, no appropriations were made for sinking funds during 1935. As at Nov. 1, 1935, sinking funds were $7.5 millions short of requirements.

Basic industries of British Columbia have been on the uptrend for three years and further improvement is looked for in current fiscal year. Mining, fishing, agriculture and lumbering are all producing improved returns.

Vancouver

Vancouver is continuing its agitation for reduction of interest on its funded debt and a meeting of bondholders has been called for July 6 to consider proposals. It is not expected the refunding scheme will be accepted.

Lower tax receipts, an increase in net debenture debt and in bank loans and a sharp rise in sinking fund arrears feature the city's 1935 report.

While the net shortage in sinking fund is $7.7 millions, the actual arrears owing to the fund by the city is $8.5 millions. The cost of securities held in the sinking fund at Dec. 31 last was $16.2 millions and the face value $18.1 millions. None of the securities held by the fund are in default.

Collections of current taxes and arrears were both lower in 1935 than in 1934. Lower current collections were due to a reduction in the tax rate, the percentage of collections being 79.5 as against 71.5 per cent in 1934.

Population: Present, 247,558; 5 years ago, 242,629. Area, 27,965 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 13,576,090
Expenditure	14,228,276
Assessed value for taxation	246,328,775
Exemptions not included above	95,012,642

Tax rate, 1935: General, 17.153; debentures, 12.962; schools, 10.146; social services, 1.372; total, 41.633 mills gross; net, 37.886 mills.

Total tax arrears, $8,337,141; last year's levy, gross $11,063,690; uncollected, $2,277,534.

Assets and Liabilities

Value of assets, approx.	$99,182,365
Total debenture debt	67,017,146
Total sinking fund	24,010,332
Sinking fund in arrears	7,767,982
Other liabilities	1,628,496
Bank loans, current	2,007,988
Bank loans, capital	▲4,880,304

▲Secured.

Debenture Debt

	Deb's. Outstanding	Sink. Fund Required
Public utilities	$6,008,258	$1,733,918
Local improvements:		
Ratepayers' share	6,897,281	3,232,238
City's share	1,480,280	783,741
General	52,631,327	16,160,096
Accr. int., surplus, etc.	......	1,396,971
L. imp. trust a/c	......	85,587
Total	67,017,146	23,392,551
Deb's. authorized but unissued	5,786,428	617,781
	72,803,574	*24,010,332

*Includes arrears owing by city $8,546,973.

Public Utilities

	*Net Earnings	‡Net Profits
Waterworks	$404,342	$66,802

*After operating charges only.
‡After operating charges, interest and sinking fund.

Victoria

No report for 1935 has been issued yet. It has been reported, however, that the city had a deficit on the year's operations, although sinking fund requirements were not fully met. Relief expenditures for 1935 are to be funded. According to a statement made by D. A. Macdonald, city comptroller, Victoria will be able to meet all maturities up until 1943 even if it foregoes payment of annual sinking fund installments.

Population: 1935, 40,000; 1931, 39,082. Area, 4,640 acres.

Income and Assessment
Year Ended December 31, 1934
(latest available)

Revenue	$2,385,569
Expenditure	2,319,110
Assessed value for taxation	49,960,468
Exemptions not included	20,761,905

Tax rate, 1934: General, 20.1486; debenture, 10.3896; school, 10.4618; total, 41 mills.

Total tax arrears, $829,192; tax levy, 1934, $1,760,070; uncollected, $391,984.

Assets and Liabilities

Value of assets	$16,567,888
Total debenture debt	16,386,481
Total sinking fund	4,525,272
Other liabilities	1,321,644
Bank loans	342,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$3,920,859	$ 813,452
Local improvements	4,798,607	877,121
School	1,195,615	1,003,791
Other	6,471,399	1,830,908
Total	$16,386,481	$4,525,272

Bonds guaranteed $637,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$319,860	$68,289

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

New Westminster

The detailed financial statement of New Westminster for 1935 is not yet available. The city, however, reports a deficit of $40,498. Revenue from taxes, electric light and water rates and rentals all showed improvement over 1934.

Population: 1935, 20,000; 1931, 17,524. Area, 4,394 acres.

Income and Assessment
Year Ended December 31, 1934
(latest available)

Revenue	$1,051,205
Expenditure	1,057,916
Assessed value for taxation	8,903,836
Exemptions not included	3,793,300

Tax rate, 1934: Debenture, 22; school, 28.5; general, 5.5; total, 56 mills.

Total tax arrears, $367,673; 1934 levy, $574,892; uncollected, $145.892.

Assets and Liabilities

Value of assets	$11,209,901
Total debenture debt	6,846,969
Total sinking fund	2,434,941
Gtd. bonds (as to int. only)	600,000
Other liabilities	259,585

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 47,742	$20,321
Electric plant	131,418	92,500
Market	3,330	‡265

*After operating charges only. †After operating charges, depreciation, interest and sinking fund. ‡Deficit after interest and depreciation.

N. Vancouver

While North Vancouver reduced its net debenture debt by $32,912 in 1935 and its bank loans by $25,000, the excess of liabilities over assets increased by $31,276 to $1,878,128. Current liabilities exceed current assets by $321,718.

Interest unpaid and accrued on city debentures amounted to $512,505 at the end of 1935, of which $122,006 is owing on city debentures held in sinking fund. There does not appear to be any immediate possibility of resumption of interest payments.

Population: Present, 9,000 (est.); 1930, 9,000. Area, 3,131.5 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 524,350
Expenditure	490,802
Assessed value for taxation	7,214,195
Exemptions not included	4,165,075

Tax rate, 1935: General, 36.889; debenture, 5.555; school, 11.556; total, 54 mills.

Total tax arrears, $149,937; last year's tax levy, $258,765; uncollected, $93,635.

Assets and Liabilities

Value of assets	$3,998,872
Total debenture debt	3,359,590
Total sinking fund	848,303
Sinking fund arrears	74,927
Bonds guaranteed	292,500
Bank loans	125,000
Other liabilities	527,986

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 954,500	......
Local improvements	353,589	......
General	1,490,071	......
School	561,430	......
Total	$3,359,590	$848,303

Public Utilities

	*Net earnings	†Net profits
Waterworks	$47,119	Not segregated
Ferries	10,833	‡14,939

*After operating expenses only. †After operating expenses, interest and sinking fund. ‡Deficit.

Kelowna

Kelowna enjoys a strong capital and current position, having a low debenture debt and a large surplus of current assets over current liabilities. During 1935 the city's net debenture debt was reduced by $36,856 to $217,842. Current liabilities at the end of 1935 totalled $11,923 and against this the city had cash on hand of $30,034. Total current assets were $64,418. In tax collections the city has an exceptionally good record, total arrears at the beginning of 1936 amounting to only $14,938.

Population: Present, 4,597; 5 years ago, 4,313. Area, 1,525 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 298,032
Expenditure	304,613
Assessed value for taxation	4,798,825
Exemptions not included	765,340

Tax rate, 1935: General, 10.84; debenture, 15.53; school, 15.63; total, 42 mills.

Total tax arrears, $14,938; last year's levy, $114,224; uncollected, $9,760.

Assets and Liabilities

Value of assets	$1,060,014
Total debenture debt	590,100
Total sinking fund	372,258
Surplus on sink. fd.	43,286
Other liabilities	11,923

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 234,000	$ 150,603
"Better Housing"	13,600	......
General	219,500	150,822
Schools	123,000	70,833
Total	590,100	372,258

Public Utilities

	*Net earnings	†Net profits
Waterworks	$18,894	$ 2,578
Electric light	25,860	11,980

*After operating expenses only. †After operating expenses, interest and sinking fund debt.

(Continued on page 19)

Province of British Columbia Financial Statement

(As at November 1, 1935)

Assessed value of all property (provincial estimate)	$927,120,205
Gross funded and temporary debt*	179,508,768
Less: Sinking funds on hand	33,656,935
Net debt	145,851,833
Provincial guarantees†	48,277,857
Ordinary revenue, fiscal year ended March 31, 1935	22,761,719
Ordinary expenditure, fiscal year ended March 31, 1935	21,597,544

*Includes $20,160,000 Pacific Great Eastern Railway Co. bonds guaranteed by the provincial government when issued. The railway is now owned and operated by the province and its debt is treated as a direct liability.

†Of this total $40,157,524 are in connection with railways now owned and operated by the Dominion Government. Sinking funds amounting to—as at last 1935 audit date—$1,464,013 were accumulated against the remaining guarantees of $8,045,333.

LOANS OUTSTANDING
(As at November 1, 1935)

Maturity		Rate	Amount	Payable
29 June,	1933-56†	4½%	$4,110,000	V. Vanc. M. T. N.Y. (G)
1 Apr.,	1934-61§	4½%	3,489,000	V. Vanc. M. T. N.Y. (G)
15 Feb.,	1936	4¼%	5,000,000	V. Vanc. M. T. N.Y. (G)
15 May,	1936	4%	3,500,000	V. Vanc. M. T. N.Y. (G)
15 May,	1937-61°	4%	4,227,000	V. Vanc. M. T. N.Y. (G)
1 July,	1937	3½%	445,000	V.
1 Dec.,	1937	5%	300,000	V. (G)
1 Apr.,	1938	5%	200,000	V. (G)
8 July,	1938	3½%	1,000,000	V. M.
1 Nov.,	1938	5%	100,000	V. (G)
1 Dec.,	1938	5%	200,000	V. (G)
5 Mar.,	1939	5½%	3,000,000	N.Y. M. T. V. (G)*
16 May,	1939	5%	300,000	V. (G)
2 July,	1939	5%	3,000,000	N.Y. M. T. V. (G)*
12 July,	1939	5%	2,000,000	N.Y. M. T. V. (G)
31 Dec.,	1940	5%	1,361,500	Ottawa only. (G)
1 Apr.,	1941	4½% Ins. stock	7,275,000	London in sterling.
15 June,	1941	6%	3,000,000	M. T. V. Vanc. W. (G)†
30 June,	1941	5%	340,000	Ottawa only. (G)
1 July,	1941	3% Ins. stock	9,921,936	London in sterling.
15 Aug.,	1941	6%	2,000,000	M. T. V. Vanc. W. (G)†
26 Oct.,	1941	6%	2,000,000	N.Y. M. T. V. (G)
1 Nov.,	1942	4½%	310,000	N.Y. M. T. V. Vanc. (G)
25 June,	1943	5%	1,000,000	N.Y. M. T. V. (G)†
1 Feb.,	1945	5½%	3,989,000	V. Vanc. T. M. W. (G) H.
1 Oct.,	1946	6%	2,000,000	M. T. V. Vanc. W. (G)†
15 Feb.,	1947	6%	5,000,000	V. Vanc. W. T. M. H.†
15 Jan.,	1948	5%	2,000,000	N.Y. M. T. V. (G)
25 June,	1948	5%	1,000,000	N.Y. M. T. V. (G)
25 Jan.,	1949	5%	2,000,000	N.Y. M. T. V. (G)
12 July,	1949	5%	3,042,300	N.Y. M. T. V. (G)
2 July,	1950	4½%	1,000,000	N.Y. M. T. V. Vanc. W. (G)
15 Jan.,	1951	4½%	4,000,000	N.Y. M. T. V. Vanc (G)† also London in sterling.
1 Sept.,	1953	5%	3,000,000	V. Vanc. W. T. M. H.†
1 Oct.,	1953	4½%	6,000,000	N.Y. M. T. V. Vanc.
25 Apr.,	1954	5%	10,056,000	N.Y. M. T. V. Vanc.†
20 Nov.,	1954	5%	500,000	M. T. V. Vanc H.
2 Apr.,	1955	4½%	3,203,000	N.Y. M. T. V. Vanc.†
15 June,	1955	3%	2,000,000	V.
25 Sept.,	1957	4½%	3,000,000	N.Y. M. T. V. Vanc. (G)
1 Nov.,	1957	4½%	690,000	N.Y. M. T. V. Vanc. (G)
1 Dec.,	1957	4%	1,000,000	N.Y. M. T. V. Vanc. (G)
1 May,	1957-67	5%	7,276,000	London (6)
24 Sept.,	1959	5%	3,036,500	N.Y. M. T. V. Vanc.†
23 Jan.,	1969	4½%	6,417,000	N.Y. M. T. V. Vanc.

Denominations $1,000 except where otherwise noted.
*Denominations $100, $500 and $1,000.
†Denominations $500 and $1,000.
Maturing‡ $210,000 annually to 1946; $180,000 annually thereafter.
§Maturing annually: $142,000, 1934-51; $122,000, 1952-58; $121,000, 1958-61.
°Maturing annually: $163,000 in 1937; $166,000, 1934-41; $170,000, 1942-61.
(6) Redeemable at par on May 1, 1957, or any later interest date on three months' notice.

M., Montreal; T., Toronto; Vanc., Vancouver; V., Victoria; W., Winnipeg; H., Halifax; N.Y., New York; (G), Payable in gold.

PROVINCIAL FINANCES

Revenue

Department:	1934-35 $	1933-34 $
Agriculture	14,062	14,830
Attorney-General	5,293,216	4,986,429
Education	4,613	7,980
Finance	14,105,406	11,844,318
Fisheries	121,797	110,460
Labor	558	532
Lands	2,709,521	2,189,115
Legislation	640	2,145
Mines	294,017	261,170
Provincial secretary	55,127	32,297
Public works	16,965	16,848
Railways	59,419	61,319
Municipal	500	......
Total current revenue	22,675,837	19,527,543
Capital account	85,882	681,316
Total revenue	22,761,719	20,208,859

Expenditure

Department:	1934-35 $	1933-34 $
Public debt	6,884,713	6,860,887
Legislation	102,673	104,868
Premier's office	20,791	17,340
The executive	......	178
Agriculture	283,277	281,045
Attorney-General	1,320,924	1,295,217
Education	3,388,137	3,159,442
Finance	1,509,974	1,464,911
Fisheries	15,531	11,677
Labor	532,586	467,648
Lands	1,014,163	679,617
Mines	159,600	150,143
Provincial secretary	2,813,174	2,786,286
Public works	1,948,723	1,738,909
Railways	78,837	63,751
Dept. of industries	5,095	......
Municipal affairs	9,086	......
Total current expend.	20,087,284	19,081,919
Capital account	1,510,259	1,500,917
Total expenditure*	21,597,543	20,582,836

*Includes $593,752 in 1934-35 and $585,752 in 1933-34 for sinking fund provision.

Canadian Securities

Dominion of Canada
Dominion Guaranteed
Provincial Government
and
Municipal Bonds

DOMINION SECURITIES CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

PAVING DESIGN AND INSPECTION

THE DESIGN AND CONSTRUCTION OF STREET AND HIGHWAY SURFACING IS NO LONGER A RULE-OF-THUMB WORK. IT IS THE FIELD OF HIGHLY-TRAINED AND EXPERIENCED ENGINEERS, FAMILIAR WITH THE SERVICE VALUE AND PROPERTIES OF AGGREGATES AND BINDERS, WITH THE TECHNIQUE OF COMBINING AND LAYING THEM.

TWENTY YEARS OF EXPERIENCE IN THE DESIGN AND INSPECTION OF STREET AND HIGHWAY SURFACING HAVE MADE OUR ORGANIZATION PRE-EMINENT AS CONSULTANTS AND INSPECTORS. COUNTLESS MUNICIPALITIES, COUNTIES AND TOWNSHIPS, AND SOME OF THE PROVINCES, HAVE MADE US THEIR PAVING ENGINEERS. HUNDREDS OF MILES OF STREETS AND ROADS HAVE BEEN SURFACED UNDER OUR SUPERVISION.

MAKE OUR ORGANIZATION YOUR PAVING ENGINEERS AND INSPECTORS. CONFER WITH US ON YOUR PROGRAMME. LET US ADVISE YOU HOW TO BEST SPEND YOUR PAVING DOLLARS — AND CONTROL THE BUILDING OF YOUR PAVEMENTS. IT IS A TYPE OF INSURANCE THAT YIELDS HANDSOME DIVIDENDS.

MILTON HERSEY COMPANY
LIMITED
Consulting Paving Engineers, Chemists and Inspectors
MONTREAL ■ WINNIPEG

DOMINION OF CANADA BONDS

The Bank of Canada is authorized by the Minister of Finance to receive applications to subscribe in cash for:

$20,000,000

Thirty-year 3¼ per cent. Bonds, due June 1, 1966
Callable on or after June 1, 1956

Issue Price: 99.00% and accrued interest, yielding over 3.30% to maturity.

Proceeds will be used for general purposes of the Government of Canada. Payment to be made in full against delivery of interim certificates on or about June 8, 1936.

The Bank of Canada is further authorized to receive applications to convert Dominion of Canada Bonds, maturing in 1936, into:

Four-year 1½ per cent. Bonds, due June 1, 1940

Issue Price: 99.50%, yielding 1.63% to maturity:

OR

Thirty-year 3¼ per cent. Bonds, due June 1, 1966
Callable on or after June 1, 1956

Issue Price: 99.00%, yielding over 3.30% to maturity.

Bonds accepted for conversion will be valued at the following prices, which are inclusive of adjustments for accrued interest:—

1½% BONDS DUE SEPTEMBER 15, 1936 ..... 100.32%
2% BONDS DUE OCTOBER 15, 1936 ..... 100.44%
5% BONDS DUE NOVEMBER 15, 1936 ..... 101.83%

Bonds accepted for conversion will be exchanged for interim certificates and the resultant cash adjustment made in favour of the subscriber, on or after June 8, 1936.

Holders of bonds accepted for conversion will, by reason of the cash adjustment and the interest payment on the new investment, receive at least the equivalent of the interest return which would have been received on the converted bonds until maturity.

Bonds will be dated June 1, 1936. Principal and interest will be payable in lawful money of Canada. Interest will be payable, without charge, semi-annually on June 1 and December 1, at any branch in Canada of any chartered bank.

Denominations: 1½% Bonds, $1,000
3¼% Bonds, $500 and $1,000

Applications may be made to the Bank of Canada through any branch in Canada of any chartered bank or through any recognized dealer, from whom copies of the official prospectus containing complete details of the issue may be obtained. All subscriptions will be subject to allotment.

Subscription lists will open on June 3, 1936, and will close as to cash subscriptions, and as to either maturity or both in the case of conversion subscriptions, with or without notice, at the discretion of the Minister of Finance.

OTTAWA, June 3, 1936.

British Columbia

(Continued from page 18)

Kamloops

Kamloops has a strong financial position, net debenture debt amounting to only $376,847. Tax collections declined slightly in 1935, current receipts amounting to 77.9 per cent of the levy compared with 79.3 per cent in 1934. Arrears increased by $7,606 to $50,899.

Population: Present, 6,000 (est.); 5 years previously, 6,197. Area, 912 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 252,169
Expenditure	266,647
Assessed value for taxation	6,004,810
Exemptions not included	1,074,440

Tax rate, 1935: General, 18.373; debenture, 2.423; school, 18.204; total, 39 mills.

Total tax arrears, $50,899. Last year's tax levy, $139,616; amount uncollected, $30,709.

Assets and Liabilities

Value of assets	$2,313,274
Total debenture debt	1,238,793
Total sinking fund	861,946
Other liabilities	28,528
Bank loans	45,000

Debenture Debt

	Deb's. Outstanding	Sink. Fund on Hand
Public utilities	$ 822,537	......
Local improvements	55,343	......
School	158,000	......
Other	202,913	......
Total	1,238,793	$861,946

Public Utilities

	*Net Earnings	†Net Profits
Waterworks	$ 24,012	$ 7,423

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Nanaimo

Nanaimo reports a reduction in net debenture debt, bank loans and tax arrears in 1935.

Debenture debt after deduction of sinking fund at $585,146 is over $11,000 lower. No provision was made for the 1935 sinking fund installment and as a result the fund shows a shortage of $24,003.

Bank loans were reduced from $59,200 to $41,500. Provincial government loans for unemployment purposes total $30,800 and for South Forks Line improvement, $57,510. Cash on hand amounted to $24,447 as against sundry accounts of $13,287. Amounts due from the provincial government totalled $18,802.

Population: Present, 6,800; 1930, 6,650. Area, 700 acres.

Income and Assessment
Year ended December 31, 1935

Revenue	$ 200,078
Expenditure	212,962
Assessed value for taxation, 1936	*3,485,975
Exemptions not included	745,565

*Includes land valued at $745,565.

Tax rate, 1936: General, 15.08; debenture, 20.47; school, 19.45; total, 55 mills.

Total tax arrears, $33,587; last year's levy, $144,698; uncollected, $22,362.

Assets and Liabilities

Value of assets	$1,388,300
Total debenture debt	907,872
Total sinking fund	322,726
Sinking fund arrears	24,003
Other liabilities	104,345
Bank loans	41,500

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 500,000	......
Local improvements:		
Ratepayers' share	12,272	......
General	131,600	......
Sewerage	264,000	......
Total	907,872	$322,726

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 26,651	$ ‡4,275

*After operating expenses only.
†After operating expenses, interest and sinking fund debt. ‡Deficit.

Nelson

Net debenture debt and floating indebtedness of Nelson both increased in 1935. Largely as a result of expenditures made on the municipal civic centre, net debenture debt increased from $597,182 to $694,041.

Population: Present, 6,000; 1930, 6,000. Area, 751 acres.

Income and Assessment
Year ended December 31, 1935

Revenue	$ 464,645
Expenditure	486,727
Assessed value for taxation	5,754,445
Exemptions not included	860,805

Tax rate, 1935: General, 5 mills on land and 50% on improvements; library, 2; school, 18.6 and 50% improvements; debentures, 7.25.

Year's tax levy, $115,056; uncollected, $23,090.

Assets and Liabilities

Value of assets	$2,362,691
Total debenture debt	1,096,512
Total sinking fund	372,519
Other liabilities	31,970

Debenture Debt

	Deb's. outstand.	Sink. fund
Public utilities	$ 500,000	$ 164,655
Local improvements:		
Ratepayers' share	89,413	......
City's share	29,099	41,378
Schools	163,000	72,044
General	150,000	88,942
Other	165,000	5,499
Total	1,096,512	372,519

Better housing loan, $11,000.
Guaranteed bonds, $50,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 37,570	$ 35,009
Electric light	115,179	78,979
Gas	4,196	789
Street railway	‡10,051	‡10,051

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

Prince Rupert

Refunding of the debenture debt of Prince Rupert at four per cent was carried out in 1935 with the consent of bondholders in order to correct the default which occurred in December, 1932. At Dec. 31 last all but $76,900 of the $1.7 millions of debentures had been exchanged. The amount unexchanged has been further reduced since the first of the year. The refunding will save the city about $34,000 per annum.

Except for a loan of $18,000 from the provincial government for relief, the city conducted its operations in 1935 on a cash basis and at the end of the year had no bank loan or floating debt.

Population: 1931, 6,350; 1921, 6,393. Area, 4,751 acres.

Income and Assessment
Year ended December 31, 1935

Current revenue	$ 202,629
Current expenditures	221,071

Total tax arrears, $482,476. Last year's levy, $175,828. Amount uncollected, $84,943.

Assets and Liabilities

Value of assets	$3,553,060
Total debenture debt	1,735,593
Total sinking fund	183,675

Debenture Debt

	Debentures Outstanding
Public utilities	$ 371,100
Local improvements	871,546
Schools	182,600
General	310,347
Total	1,735,593

Public Utilities

	*Net earnings
Waterworks	$ 11,436
Telephones	16,474

*Revenue surplus.

Trail

Trail in 1935 reduced its debenture debt by $60245, its current bank overdraft on general account by $2,159 to $23,107 and its tax arrears by $10,398 to $34,574. Total revenue cash receipts exceeded revenue cash disbursements by $2,381.

Population: Present, 8,500 (est.); 1931, 7,573. Area, 784 acres.

Income and Assessment
Year ended December 31, 1935

Revenue	$ 318,125
Expenditure	326,806
Assessed value for taxation	5,286,060
Exemptions not included	694,260

Tax rate, 1935: general, 11.4; gen. deb., 14.6; school debs., 2.7; school, 8.5; total, 37 mills.

Total tax arrears, $34,574; last year's levy, $179,564; uncollected, $22,271.

Assets and Liabilities

Value of assets	$1,286,483
Total debenture debt	1,046,514
Total sinking fund	415,359
Other liabilities	45,827

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 227,900	$ 128,924
Local improvements:		
Ratepayers' share	165,430	59,445
City's share	82,072	29,491
General	547,427	197,498
On instal. plan	17,185	......
Better housing loan	6,500	......
Total	1,046,514	415,359

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 45,760	$ 23,959

*After operating expenses only. †After operating expenses, interest and sinking fund.

Ontario

(Continued from page 13)

BRANTFORD (Continued)

Liabilities

Total debenture debt	5,255,561
Total sinking fund	878,780
Bank loans	421,000

Public Utilities

	*Net earnings	†Net profits
Waterworks	$101,095	$4,943
Street railway	8,055	‡30,312
Hydro electric	75,725	6,600

*After operating charges only. †After operating charges, interest and sinking fund charges. ‡Deficit.

Cornwall

Careful management has enabled the town of Cornwall, eastern Ontario industrial centre, to build up a strong current and capital position. At the end of 1935 the city had no bank loans. Cash on hand of $90,275, plus an amount of $9,207 due from the Ontario government, was more than sufficient to meet current liabilities of $96,969. Current assets exceeded current liabilities by $134,355.

Tax collections in 1935 were better than in 1934, this being the second successive year that an improvement has been shown.

Population: Present, 11,639; 5 years ago, 10,339. Area, 700 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 309,130
Current expenditure	338,142
Assessed value for taxation	9,584,070

Total tax arrears, $117,568; last year's levy, $293,776; uncollected, $70,345.

Assets and Liabilities

Value of assets	$1,355,159
Total debenture debt	814,743

Public Utilities

	*Net earnings
Waterworks	$22,308

*After operating expenses, interest and sinking fund charges.

Brockville

Brockville has reduced its net debenture debt by $72,682 and its bank loans by $11,088. Debentures outstanding are all of the installment type, sinking fund debentures being entirely redeemed in 1935.

Population: Present, 9,818; five years ago, 9,432. Area, 1,374 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$453,554
Current expenditure	453,370

Total tax arrears, $64,590; last year's levy, $337,291; uncollected, $45,573.

Assets and Liabilities

Value of assets	$1,980,999
Total debenture debt	647,627
Bank loans	73,805

Debenture Debt

	Deb's. outstanding
Local improvements	$302,302
General	87,179
School	258,146
Total	647,627

Public Utilities

	†Net profits
Waterworks	$4,729
Electric light	15,411
Gas	1,651

†After operating expenses, interest and sinking fund charges.

Chatham

Chatham, one of the few cities in Canada with a city manager, enjoys a very strong financial position, its per capita debenture debt being among the lowest in Canada.

Since 1931 the city has reduced its debenture debt by $500,000 to $714,007 at the end of 1935. In 1935 a reduction of $106,522 was made. This includes $69,168 of debentures which were paid off in 1935 but do not mature until 1936. Of the total debenture debt of $783,176 maturing in 1936 and subsequent years, only $500,954 is a charge upon the tax rate since hydro-electric and waterworks bonds totalling $282,222 are serviced out of profits of those departments.

Population: Present, 15,957; five years ago, 16,441. Area, 1,650 acres.

Income and Assessment
Year Ended December 31, 1935

Cash receipts	$1,022,247
Disbursements	1,003,132
Assessed value for taxation	14,435,444

Tax rate, 1935: 34 mills.

Total tax arrears, $264,455; last year's levy, $525,668; uncollected, $134,784.

Assets and Liabilities

Value of assets	$2,701,398
Total debenture debt	783,176

Debenture Debt

General	$198,438
Local improvements	225,831
Hydro-electric	219,022
Waterworks	63,200
Schools	76,685
	$783,176

Kingston

As is indicated by its recent sale of $57,500 of 2½ per cent debentures at a cost of 2.1 per cent, the city of Kingston is one of the soundest in Ontario. During the past three years the city has reduced its net debenture debt by over $300,000.

Population: Present, 24,003; 5 years ago, 21,633. Area, 2,127 acres.

Income and Assessment
Year Ended December 31, 1934

Revenue	$ 940,249
Expenditure	950,300
Assessed value for taxation	20,165,688
Exemptions not included	7,795,970

Tax rate, 1934: General, 27.11; schools, 14.78; relief, 5.11; total, 47 mills.

Total tax arrears, $164,779; last year's tax levy, $922,604; uncollected, $107,037.

Assets and Liabilities

Value of assets	$4,996,106
Total debenture debt	3,513,143
Total sinking fund	1,329,814
Net funded debt	2,183,329

Municipal Utilities

	*Net profit
Combined operations	$117,980

*After expenses, interest and sinking fund charges.

Fort William

Fort William has reduced its net debenture debt by $633,131 in the past two years. In arriving at the net debt figure only actual investments in sinking fund are deducted. Sinking fund as at Dec. 31 last was $713,746 in arrears. For $400,000 of this shortage the fund holds the city's note on account of tax sale lands. No provision is made in the balance sheet for the additional $313,746 which is owing.

Population: Present, 24,158; 5 years ago, 24,470. Area, 8,634 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$1,574,409
Current expenditure	1,568,901
Assessed valuation (1934)	31,883,626
Exemptions, not incl. above	3,166,297

Last year's tax levy, $1,311,432; uncollected, $37,813; tax arrears, $454,762.

Assets and Liabilities

Value of assets	$12,251,141
Total debenture debt	7,418,251
Total sinking fund	3,110,418
Sinking fund arrears	713,746

Debenture Debt

	Deb's. outstand.	Sink. fund required
Public utilities	$3,014,786	$1,853,377
Installment debs.	120,392	......
Local improvements:		
Ratepayers' share	943,067	970,838
City's share	793,058	
General	2,546,948	999,622
Commutation taxes	......	328
Total	7,418,251	▲3,824,165

▲Investments actually held by sinking fund total $3,110,418.

Public Utilities

	Gross revenue	†Net profits
Waterworks	$146,383	$16,883
Telephone	155,646	22,169
Street railway	122,017	‡56,046
Hydro	361,801	35,844

†After depreciation, operating charges, interest and sinking fund charges.
‡Deficit.

Galt

Galt, western Ontario industrial centre, in 1935 maintained its reputation of being one of the best managed cities in the Dominion. Not only did the city have a surplus of $10,000 on ordinary account but it reduced its net debenture debt by $185,623, bringing the total reduction since 1927 to $1.1 millions. Of a total net debenture debt of $1.7 million at Dec. 31, 1935, $332,000 are obligations of the city's public utilities which are self-supporting. Bank loans total $180,000 of which $42,000 is for capital purposes.

Population: Present, 13,958; 5 years previously, 13,960. Area, 1,836 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 768,580
Expenditure	758,153
Assessed value for taxation	11,153,355
Exemptions not included	2,568,610

Total tax arrears, $150,094; last year's tax levy, $537,250; uncollected, $64,311.

Tax rate, 1935: General, 18.8739; debenture, 10.2476; school, 12.8785; total, 42 mills.

Assets and Liabilities

Value of assets	$4,036,024
Total debenture debt	2,547,301
Total sinking fund	790,825
Bank loans	180,768

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 584,854	$252,654
Local improvements:		
Ratepayers' share	435,371	141,294
City's share	826,168	268,135
School	327,438	87,491
Other	373,469	41,251
Total	$2,547,301	$790,825

Guaranteed bonds (housing) $7,180.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$38,549	$ 75
Electric light	64,032	7,629

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Guelph

Guelph reports a current deficit of $15,341 in 1935 and an increase in net debenture debt of $136,198. Bank loans and other liabilities, on the other hand, both declined, the former by $35,000 and the latter by $51,000.

Except for the radial railway, all of the city's public utilities operate at a profit. Profits on the waterworks, electric light and gas departments and on the junction railway are more than sufficient to offset the loss on the radial railway.

Population: 1934, 21,350; 1928, 19,202. Area, 3,200 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 992,632
Expenditure	1,007,974
Assessed value for tax. 1934	14,222,805
Exemptions not incl. above	2,764,165
Accumulated tax arrears	604,004
Last year's tax levy	775,321
Amount uncollected	239,805
Reserves for taxes	112,400

Tax rate: General, 32.56; school, 14.69; total, 47.25 mills.

Assets and Liabilities

Value of assets	$6,629,307
Total debenture debt	3,751,773
Total sinking fund	1,797,438
Bank loans	244,000
Other liabalities	70,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 445,782	$ 283,162
Local improvements:		
Owners' share	791,718	476,541
Ratepayers' share	368,488	190,016
General	1,583,168	521,359
Schools	562,618	326,360
Total	$3,751,774	$1,797,438

Total guaranteed bonds, $403,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$56,511	$ 4,895
Electric light	39,822	21,258
Gas	18,286	1,680
Junction railway	23,227	23,227
Radial railway	‡5,522	‡37,968

*After operating charges only. †After depreciation, operating expenses, interest and sinking fund on debt. ‡Deficit.

Hamilton

Hamilton improved its position in 1935. Net debenture debt was reduced during the year by $2.3 millions. Bank loans on the other hand increased by $1 millions to over $4 millions. Of this amount, $2.7 millions was on capital account.

Retirements made in debenture debt during the past two years, plus the amount to be retired in the current year,, totals $8.9 millions. Debentures issued during this period including a $2 million issue sold early this year total $4.3 millions, a net reduction of $4.6 millions.

Population: Present, 154,020; 5 years ago, 150,065. Area, 9,694 acres.

Income and Assessment
Year Ended December 31, 1934

Revenue	$8,537,875
Expenditure	10,115,143
Assessed value for taxation	168,215,120
Exemptions	30,640,590

Tax rate, 1935; General, 12.28; debentures, 14.77; public school, 12.45; separate school, 12.92; total public school supporter, 39.5; total separate school supporter, 39.97.

Total tax arrears, $2,835,773; last year's levy, $7,029,511; amount uncollected, $1,493,050.

Assets and Liabilities

Value of assets	$64,943,341
Total debenture debt	28,646,178
Total sinking fund	579,433
Bank loans	4,088,521

Public Utilities
Year Ended December 31, 1933

	*Net earnings	†Net profits
Waterworks plant	$584,251	$148,416
Electric light plants	723,672	100,341

*After operating charges only. †After depreciation, operating charges, interest and sinking fund charges. No depreciation charged against waterworks.

Kitchener

Kitchener, a western Ontario manufacturing centre, reduced its bank loans in 1935 by $254,717. At the same time, however, debenture debt increased by $31,881. During the year $344,420 of debentures were retired and $376,302 of new bonds issued. Of a total debt of $3..9 millions $500,000 is self-sustaining.

By funding $90,000 of direct relief costs the city was able to show a surplus on ordinary account in 1935 of $4,869. The city's share of direct relief costs was $130,304.

Tax collections in 1935 showed improvement over the previous year, largely due to increased payments of arrears.

Population: Present, 32,567; 1930, 31,114. Area, 3,477 acres.

Income and Assessment
Year Ending December 31, 1935

Revenue	$1,327,659
Expenditure	1,322,790
Assessed value for tax (1936)	25,664,546
Exemptions not included above	3,415,189

Tax rate, 1936: General, 17.095; debentures, 9.684; schools, 15.471; total, 42.25 mills.

Accumulated tax arrears, $406,256; year's tax levy, $1,258,486; uncollected, $176,040.

Assets and Liabilities

Value of assets	$6,916,966
Total debenture debt	3,981,681
Bank loans	452,600
Other liabilities	86,737

No sinking fund.

Debenture Debt

Public utilities	$572,789
Local improvements:	
Ratepayers' share	908,122
Municipality's share	302,707
General	1,352,230
School	845,833
Total	3,981,681

Public Utilities

	*Net earnings	†Net profits
Waterworks	$58,480	$18,988
Electric plant	68,485	26,627
Gas plant	45,803	19,983
Street railway	21,775	‡13,293

*After operating charges only. †After operating expenses, interest on debenture debt and depreciation. ‡No depreciation applied for year 1935.

London

With current expenditures exceeding current revenue by $458,226, London reports a substantial deficit in 1935. Net debenture debt, however, declined during the year by $1.4 million. In the past 4 years there has been a reduction of $3 millions. Bank loans show a large increase in 1935 amounting to $1.9 million at the end of this year. Of this amount $1.2 million had been borrowed in anticipation of debenture issues which are not included in the funded debt.

Population: 1935, 75,484; 1928, 64,293. Area, 7,231 acres.

Income and Assessment
Year Ended December 31, 1935

Assessed value for tax	$83,540,937
Exemptions not included	11,582,440
Revenue (est.)	5,005,327
Expenditure (est.)	5,463,553

Tax rate, 1935, General and debenture, 25.5146; school, 14.4638; total 39.9784 mills.

Total tax arrears, $1,247,511; tax levy, $3,660,686; uncollected, $605,855.

Assets and Liabilities (1934)

Value for assets	$20,728,636
Total debenture debt	11,698,154
Total sinking fund	2,438,113
Guaranteed bonds	180,000
Bank loans	1,947,381

Debenture Debt (1935)

	Deb's. outstand.	Sink. fund on hand
Public utilities	$3,999,280	$1,086,818
Local improvements:		
City's share	232,250	......
Ratepayers' share	645,336	......
Schools	2,494,080	599,897
General	4,327,208	751,398
Total	11,698,154	2,438,113

Public Utilities (1935)

	*Net earnings	†Net profits
Waterworks	$241,934	▲‡$5,819
Electric light	208,840	‡7,670
Railway	10,828	‡253,173

*After operating charges only. †After oper. chgs., deprec., int. and sink. fund. ‡Deficit. ▲After deducting cost of new reservoir, hydrants and meters of $124,565.

Niagara Falls

Niagara Falls has been in default on principal of its bonds since Dec. 1, 1933. Arrears of principal amounts to $711,716. While it was expected refinancing would be undertaken in the current year, The Financial Post is informed that this is not being proceeded with at the present time owing to uncertain conditions with reference to payment of relief and to the dispute which the city of Windsor is having with its bondholders.

Improvement in revenue has enabled the city to build up a cash reserve against defaulted principal.

Population: Present, 18,527; 5 years ago, 18,507. Area, 1,934 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,316,353
Expenditure	1,309,912
Assessed value for taxation	18,344,830
Exemptions not included	8,127,893

Tax rate, 1935: General and debenture, 25.13; school, 13.87; total, 39 mills.

Total tax arrears, $540,789; amount uncollected, $217,760; last year's tax levy, $865,075.

Assets and Liabilities

Value of assets	$3,917,508
Total debenture debt	3,283,180
Bank loans	126,466
Other liabilities	42,615

No sinking fund.

Debenture Debt

	Deb's. outstand.	Defaulted principal
Public utilities	$854,766	$109,311
Local improvements:		
Ratepayers' share	516,404	289,028
City's share	252,780	144,878
General	947,513	163,499
	2,571,463	711,716

Guaranteed bonds, $35,979. All serial bonds.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$50,965	$6,528

*After operating charges only. †After operating charges, and debt charges.

North Bay

North Bay is operating under the supervision of the Ontario Department of Municipal Affairs. Early in 1935 the city sought permission to refund $50,000 of maturing debentures for a period of five years in order to relieve the burden of a heavy tax rate. Approval of this action was given by the department, and the affairs of the city placed under its supervision.

Tax arrears increased by $50,000 in 1935 to $375,689. Bank loans amount to $328,416. Surplus of current assets over current liabilities is $58,076.

Population: Present, 16,594; 5 years previously, 16,236. Area, 2,100 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 757,535
Current expenditure	768,582
Assessed val. for taxation	9,663,104
Exemptions not included	2,132,750

Tax rate, 1935: General, 18.885; debenture, 10.865; schools, public, 20.75; total, 50.5 mills.

Total accumulated tax arrears, $375,689; amount of last year's tax levy, $569,720; uncollected, $138,422.

Assets and Liabilities

Value of assets	$3,133,181
Total debenture debt	2,611,472
Bank loans	328,416
Other liabilities	77,774

No sinking fund.

Debenture Debt

Public utilities	$ 379,826
Local improvements:	
Ratepayers' share	537,195
Municipality's share	771,032
General	385,711
School	522,850
Other	14,858
Total	$2,611,472

Public Utilities

	Net profit
Waterworks	$6,521

*After operating expenses, interest and sinking fund charges.

Orillia

Expenditures on the civic owned power plant at Minden resulted in an increase in the funded debt of the town of Orillia of $314,127 in 1935. Since the first of 1936 this has been further increased by an additional issue of $100,000 of Orillia Water, Light & Power Commission debentures. Debenture debt for purposes other than public utilities decreased by $65,000 in 1935.

Population: Present, 8,662; 5 years ago, 8,352. Area, 2,500 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 413,346
Current expenditure	408,895
Assessed value for taxation	4,827,850
Exemptions not included	991,125

Tax rate, 1935: General, 31.3; debenture, 9.2; school, 9.5; total, 50 mills.

Total tax arrears, $113,343; last year's levy, $276,090; uncollected, $56,587.

Assets and Liabilities

Value of assets	$2,034,860
Total debenture debt	1,254,453
Sinking fund	19,568
Bank loans	75,091
Other liabilities	39,388

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	*$ 557,410	......
Local improvements:		
Ratepayers' share	198,523	......
Municipality's share	215,984	......
General	161,971	......
School	120,564	$19,568
Total	$1,254,453	$19,568

Bonds guaranteed, $1,254,453.

*An additional $100,000 issued Mar. 2, 1936.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 39,306	$10,579
Electric light	137,530	36,710

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Ottawa

Ottawa, the capital city of Canada, is perhaps in a better financial position than any other major Ontario city.

One important reason for the city's excellent position is that Ottawa's tax collections are among the best in the Dominion. Being the seat of government, there is unusual stability of income among taxpayers. Only 12.7 per cent of the 1935 levy remained uncollected at Dec. 31 last.

A sharp increase in relief costs has necessitated funding a portion of relief costs in the past two years, $490,000 being capitalized in 1934 and $610,000 in 1935. Previous to 1934 relief costs were met out of current expenses. Exclusive of the $610,000 of 1935 relief costs which are to be funded, revenue in 1935 exceeded expenditures by $1,579.

Current assets at Dec. 31 last amounted to $2.8 millions as against current liabilities of $2.7 millions. Included in current assets is cash and marketable securities of $640,000.

Population: Present, 137,900; 5 years previously, 125,496. Area, 6,151 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$6,680,236
Expenditure	6,678,657
Assess'd val. for taxation (1935)	156,554,861
Exemptions not included	81,350,686

Tax rate, 1935: General, 19.33; debenture, 6.32; school, 11.15; total 36.80 mills.

Total tax arrears, $1,382,213. Last year's tax levy, $6,246,620; amount uncollected, $794,976.

Assets and Liabilities
(As at December 31, 1935)

Value of assets	$40,615,000
Total debenture debt	23,779,381
Total sinking fund	4,916,004
Bank loans	2,170,000
Other liabilities	610,682

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$6,531,948	$2,341,814
Schools	3,758,954	1,085,338
Local improvements	2,810,086	124,832
General	10,678,393	1,364,020
	23,779,381	4,916,004

Public Utilities

	*Net earnings	†Net profits
Waterworks	$415,645	$7,146
Electric light	221,141	85,260

*After deducting operating expenses only. †After deducting operating expenses, interest and sinking fund charges.

Oshawa

Oshawa, the home of General Motors of Canada and other important industries, has improved its financial position during the past four years despite the difficulties

(Continued on page 20)

Can. Foreign Investment Will Take Stock on June 1

From Our Own Correspondent

MONTREAL.—Canadian Foreign Investment Corp. has notified the Montreal Stock Exchange that preference drawn for redemption on registered shareholders of record, May 15, may be surrendered at the Montreal Trust Co. on and after June 1. Payments will be made in full at $105 a share, plus accrued dividends to July 1, 1936.

Canada Steamship Lines Plans Work at Ft. William

From Our Own Correspondent

MONTREAL.—Canada Steamship Lines has deposited plans with the Minister of Public Works at Ottawa covering the construction of a wharf and freight shed which it is proposed to build in Kaministiquia River at Fort William.

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TORONTO

NORTHERN ONTARIO PROPERTIES

(Operated by The Hydro-Electric Power Commission of Ontario)

BALANCE SHEET AS AT OCTOBER 31, 1935

ASSETS

INVESTMENTS:			
Fixed Assets in Service:			
Nipissing District	$ 1,674,837.85		
Sudbury District	2,727,749.34		
Abitibi District	25,025,780.34		
Espanola District	22,812.40		
Patricia District	489,676.89		
St. Joseph District	395,718.19		
		$30,336,575.01	
Fixed Assets under Construction		403,129.69	
			$30,739,704.70
CURRENT AND ACCRUED ASSETS:			
Special deposits for matured interest unpaid		$ 24,504.36	
Sundry accounts receivable		12,412.70	
Power accounts receivable		153,657.48	
Interest receivable		9,288.54	
Province of Ontario—1934-35 deficit contribution		388,054.57	
Hydro-Electric Power Commission of Ontario		138,445.60	
Consumers' and contractors' deposits:			
Securities—Bonds at par value	$ 348,500.00		
Securities—Stocks at market value	152,649.55		
		501,149.55	
			1,227,512.80
DEFERRED DEBITS:			
Maintenance materials and supplies		$ 35,939.35	
Construction tools and equipment		41,662.49	
Prepayments		43,845.03	
			121,446.87
SPECIAL FUNDS:			
Reserve Funds:			
Investments	$ 830,545.01		
*Amount receivable from current assets—per contra	309,811.35		
		$ 1,140,356.36	
Sinking Funds:			
*Amount receivable from current assets—per contra		335,264.83	
			1,475,621.19
			$33,564,285.56

LIABILITIES, RESERVES AND EQUITY

LONG-TERM LIABILITIES:			
Funded Debt:			
3½/4/5% H.-E.P.C. Debentures due October 1, 1952—Issued in 1932 in exchange for Bonds of Ontario Power Service Corporation Limited		$17,626,950.00	
Purchase Agreement—Espanola Transmission Line—McMillan Gold Mines Limited		11,168.02	
			$17,638,118.02
CURRENT AND ACCRUED LIABILITIES:			
Bank of Montreal — demand loan		$ 4,500,000.00	
Accounts payable		112,027.29	
Unpaid claims—Abitibi Canyon Properties		382,838.14	
Matured debenture interest unpaid		24,504.36	
Debenture interest accrued		51,411.94	
Liability for consumers' and contractors' deposits		532,991.48	
		$ 5,603,773.21	
*Liability to special funds—per contras		645,076.18	
			6,248,849.39
DEFERRED CREDITS:			
Miscellaneous deferred credits			2,843.20
RESERVES:			
Renewals reserves		$ 854,322.53	
Obsolescence and contingencies reserves		286,033.83	
			1,140,356.36
EQUITY OF THE PROVINCE OF ONTARIO:			
Advances from the Province of Ontario for:			
Capital expenditures	$ 8,198,853.76		
Operating deficits and sinking fund appropriations	841,711.18		
		$ 9,040,564.94	
Deficit Account:			
Balance at November 1, 1934	$ 453,656.61		
Net loss for the year ended October 31, 1935	52,789.74		
Sinking fund appropriations for the year ended October 31, 1935	335,264.83		
Balance at October 31, 1935		841,711.18	
		$ 8,198,853.76	
Sinking fund reserves		335,264.83	
			8,534,118.59
			$33,564,285.56

Approved by:
A. MURRAY McCRIMMON .... Controller.
T. S. LYON .... Chairman of the Commission.
A. W. ROEBUCK .... Commissioner.
T. B. McQUESTEN .... Commissioner.

Auditors' Certificate

We have examined the Accounts of the Northern Ontario Properties for the year ended the 31st October, 1935, and report that, in conjunction with our Annual Report to the Lieutenant-Governor in Council, in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of Northern Ontario Properties at the 31st October, 1935, according to the best of our information and the explanations given to us and as shown by the books of the Properties. We have obtained all the information and explanations we have required.

OSCAR HUDSON AND CO.,
Chartered Accountants,
Auditors.

Dated at Toronto, Ontario, 30th March, 1936.

Ontario

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resulting from depressed business conditions.

During the past four years net funded debt has been reduced by over $1 million, to $4 millions at the end of 1935, and bank loans by $120,000 since 1932.

In the past three years expenditures have been kept within actual cash receipts.

Population: Present, 24,120; five years ago, 23,002. Area, 3,356 acres.

Income and Assessment
Year Ending December 31, 1935

Revenue	$1,405,390
Expenditure	1,373,254
Assessed value for taxation	15,582,600
Exemptions, not incl. above	1,763,310

Tax rate, 1936: General, 16.5; debenture, 9.2; school, 20.3; total, 46 mills.

Total tax arrears, $463,765; last year's levy, $919,172; uncollected, $205,242.

Assets and Liabilities

Value of assets	$5,275,731
Total debenture debt	4,007,242
Bank loans	678,252
Other liabilities	35,583

No sinking fund.

Debenture Debt
Year Ended December 31, 1935

	Debentures Outstanding
Public utilities	$1,224,105
Local improvements:	
Ratepayers' share	943,042
Municipality's share	602,431
General	380,364
Schools	857,300
Total	$4,007,242

Public Utilities

	*Net earnings	†Net profits
Waterworks	$85,301	$ 5,803
Electric light	68,765	33,231

*After operating charges only. †After depreciation, operating charges, interest and sinking fund on debt.

Owen Sound

Owen Sound has one of the strongest financial positions of the smaller Ontario cities, a considerable improvement being shown in 1935.

During the past 3 years the city has reduced its net debenture debt by $209,256, the reduction in 1935 being $115,845. Bank loans of $37,182 at the end of 1935 were for local improvement purposes, no bank loans being incurred in 1935 for current purposes.

As regard tax collections, the city has an excellent record, total collections in 1935 amounting to 103 per cent of the levy and receipts of current taxes to 84.2 per cent. Arrears were reduced in 1935 by $14,778 to $78,957.

Population: Present, 13,129; five years ago, 12,778. Area, 2,909 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 644,204
Expenditure	613,107
Assessed value for taxation	8,083,987
Exemptions not included	2,508,229

Tax rate, 1935: General, 12.1; debenture, 17.1; school, 17.8; total, 47 mills.

Total tax arrears, $78,958. Last year's levy, $404,193; amount uncollected, $63,822.

Assets and Liabilities

Value of assets	$3,311,206
Total debenture debt	1,502,695
Total sinking fund	726,676
Bank loans	‡37,782

‡On local improvement account.

Debenture Debt

	Deb's. Outstanding	Sink. Fund on Hand
Public utilities	$ 70,000	$ 26,013
Local improvements:		
Ratepayers' share	199,767	105,751
City's share	342,826	179,778
General	248,102	127,387
School	242,000	122,957
Other	400,000	164,790
Total	1,502,695	726,676

Bonds guaranteed, $7,000.

Public Utilities

	*Net Earnings	†Net Profits
Waterworks	$ 12,042	$ 10,915
Electric light	30,445	23,049
Gas	2,561	‡5,128

†After operating expenses only. *After operating expenses, interest and sinking fund charges. ‡Loss.

Pembroke

Pembroke, which is in full default on its bonds, had a surplus of $50,944 in 1935, subject to debenture principal and interest of $61,432 which was not paid. Cash in the bank at Dec. 31 last amounted to $54,402, of which $40,913 was in general account and $13,489 in waterworks account. Total arrears of debenture interest and principal is $158,171.

Population: Present, 10,227; five years ago, 9,729. Area, 1,900 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 291,194
Expenditure	240,220
Assessed value for tax.	5,387,288
Exemptions not included	1,923,060

Tax rate, 1935: General, 33.5; school, 12.50; total 46 mills.

Total tax arrears, $137,456; last year's levy, $264,137; uncollected, $70,338.

Assets and Liabilities

Value of assets	$718,704
Total debenture debt	665,762
Total sinking fund	71,144
Sinking fund in arrears	3,230
Bank loans	53,000
Other liabilities	199,705

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$238,446	$71,144
Local improvements:		
Ratepayers' share	25,095	......
City's share	23,603	......
General	110,232	......
School	339,621	......
Total	$736,907	$71,144

Public Utilities

	*Net earnings	†Net profits
Waterworks	$26,103	$4,551

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Peterborough

Peterborough in 1935 reduced its bank loans by $19,051 and its net debenture debt by $141,415. Since 1932 debenture debt has declined almost $500,000.

Tax collections in 1935 showed considerable improvement.

Population: Present, 22,973; 5 years previously, 22,487. Area, 2,850 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,197,220
Expenditure	1,178,620
Assessed value for taxation	24,551,725
Exemptions not included	3,769,860

Tax rate, 1935: General, 17.74; debenture, 9.93; school, 9.83; total, 37.5 mills.

Total tax arrears, $284,037; last year's tax levy, $928,905; amount uncollected, $139,169. Tax reserve, $35,123.

Assets and Liabilities

Value of assets	$6,826,391
Total debenture debt	4,674,836
Total sinking fund	2,025,553
Bank loans	242,040
Tax lands	6,421

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,574,280	$ 589,447
Local improvements:		
Ratepayers' share	544,693	278,009
City's share	518,544	278,157
General	2,037,319	879,940
Total	$4,674,836	$2,025,553

Public Utilities

	*Net earnings	†Net profits
Waterworks	$63,513	$ 1,135
Electric light	82,371	22,633
Gas	25,455	‡2,805

*After operating charges only. †After operating charges, interest and sinking fund charges. ‡Deficit.

Port Arthur

Port Arthur finances continue to show improvement and as a result the city has been able to reduce its tax rate for 1936 to 36½ mills, the lowest since 1919. Current taxes collected in 1935 were equivalent to 83.5 per cent of the levy and total collections to 102.7 per cent of the levy as against 83.3 per cent and 96 per cent respectively in 1934.

Port Arthur has the lowest per capita debenture debt of any city or corresponding or larger size in Ontario. During the past 10 years net debenture debt has been reduced by $2 millions.

The detailed statement for 1935 is not available as yet.

Income and Assessment
Year Ended December 31, 1934
(latest available)

Revenue	$1,091,240
Expenditure	1,063,728
Assessed value for tax. (1933)	27,469,783
Exemptions not included	4,220,000

Tax rate, 1934: General, 21.53; school, 12.06; debenture, 5.41; total 39 mills.

Total tax arrears, $506,846; last year's tax levy, $1,094,498; uncollected, $180,758.

Assets and Liabilities

Value of assets	$11,339,089
Total debenture debt	5,728,997
Total sinking fund	2,839,869

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$2,706,459	$1,498,357
Local improvements:		
Ratepayers' share	555,348	279,117
General	1,301,672	704,474
School	1,165,518	357,921
Total	$5,728,997	$2,839,869
Guaranteed bonds	$ 351,116	

St. Catharines

St. Catharines has an excellent financial record, gross debenture debt, having shown a steady reduction during the past 10 years. In net debenture debt, that is after deduction of sinking fund, there has been a reduction of $812,826 in the past three years. The reduction in 1935 was $307,789.

With tax arrears increasing during the depression years, bank loans have necessarily increased. During the past 3 years, however, the increase has been small. Bank loans at the end of 1935 amounted to $307,000, while tax arrears totalled $507,600.

Population: Present, 26,834; 5 years ago, 25,645. Area, 2,400 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,188,886
Expenditure	1,183,718
Assessed value for tax. (1936)	23,984,505
Exemptions not included	4,883,980

Tax rate, 1936: General, 27; school, 15; total, 42 mills.

Last year's tax levy, $1,157,333; uncollected, $241,418; total tax arrears, $507,600.

Assets and Liabilities

Value of assets	$4,971,222
Total debenture debt	2,914,526
Total sinking fund	902,222
Bank loans	307,000
Other liabilities	401,508

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 710,714	$282,096
Local improvements:		
Ratepayers' share	708,864	328,468
City's share	208,345	90,267
Schools	655,354	78,871
Housing	51,885	......
General debentures	579,364	122,520
	$2,914,526	$902,222
Funds guaranteed (hospitals)		$74,250

Public Utilities

	*Net earnings	†Net profits
Waterworks	$88,030	$24,797
Hydro-electric	51,610	10,756

*After operating charges only. †After operating expenses, interest and sinking fund charges.

Sarnia

Sarnia, the home of the major refineries of Imperial Oil Ltd., has materially improved its position during the depression years by reducing both floating and debenture debt. Since 1930 debenture debt has declined $510,248, the reduction in 1935 being $181,565.

In 1932 the city obtained authority to increase its tax rates over the limit, if necessary, for a period of 10 years in order to write off a floating debt of $365,000. Improvement in the city's position has enabled it to liquidate this debt during the past four years, bank loans of $203,000 at the end of 1935 being on 1934 and 1935 accounts only.

Population: Present, 17,856; 5 years ago, 17,540. Area, 1,770 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$1,020,638
Current expenditure	1,018,820
Assessed value for taxation	17,741,777
Exemptions not included	2,110,600

Tax rate, 1935: General and debenture, 25.21; school, 14.79; total, 40 mills.

Total tax arrears, $437,310; last year's tax levy, $747,152; uncollected, $192,075.

Assets and Liabilities

Value of assets	$4,322,994
Total debenture debt	1,970,366
Bank loans	203,000
Other liabilities	119,690

Debenture Debt

	Debentures outstanding
Public utilities	$ 386,621
Local improvements:	
Ratepayers' share	78,387
City's share	59,094
General	495,410
School	333,213
Sarnia Elevator Co.	617,640
Total	$1,970,366

St. Thomas

St. Thomas, county town of Elgin county, is one of the few Canadian cities that has improved its financial position during the depression and paid all relief costs out of current revenue.

Since 1925 the city's net debenture debt has shown a steady reduction, the net figure at Dec. 31 last being about $1.3 millions. This is a reduction of $806,669 since 1929.

While bank loans amount to $317,228, definite action is being taken by the city to reduce this. During the past two years, 1¾ mills of the tax rate has been for the express purpose of reducing bank loans and this policy is being continued.

Population: Present, 16,123; 5 years ago, 16,567. Area, 1,870 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 907,689
Current expenditure	868,874
Assessed value for taxation	17,910,196
Exemptions, not included	2,687,895

Tax rate, 1935: General, 29.44; schools, 12.31; total, 41.75 mills.

Total tax arrears Dec. 31, 1935, $323,534; amount of last year's tax levy, $689,728; uncollected, $123,265; reserve for uncollected taxes, $25,000.

Assets and Liabilities

Value of assets	$4,738,198
Total debenture debt	1,364,752
Total sinking fund	39,465
Other liabilities	317,228

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 326,172	$ ......
Local improvements:		
Ratepayer's share	164,111	......
City's share	87,605	......
School	288,447	......
Other	498,417	39,465
Total	1,364,752	39,465

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 14,077	$ 1,677
Electric light & pwr.	15,117	151
Gas	7,198	‡12,572

*After operating expenses only. †After operating charges, interest and sinking fund charges. ‡Deficit.

Sault Ste. Marie

Sault Ste. Marie, as a result of improved tax collections and careful budgetting, has materially improved its financial position during the past two years. In 1935, net debenture debt was reduced by $71,566 to $1,846,007 and bank loans by $80,000 to $70,000. Collections of current taxes increased from 74.1 per cent of the levy to 75.4 per cent. During 1934 and 1935, the city had a small surplus on ordinary account. Arrears of taxes show a reduction of about $2,000.

Population: Present, 23,387; 5 years ago, 21,766. Area, 4,900 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 853,571
Expenditure	848,762
Assessed value for tax	19,500,000
Exemptions not included	4,423,490

Tax rate, 1934: School, 16.04; other than school, 18.46; total, 34.50 mills.

Tax arrears, $390,928; last year's tax levy, $748,335; uncollected, $183,993; reserve for uncollected taxes, $26,331.

Assets and Liabilities

Value of assets	$6,610,669
Total debenture debt	3,219,841
Total sinking fund	1,373,834
Other liabilities	70,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 647,611	$ 381,388
Local improvements:		
Ratepayer's share	499,414	264,436
City's share	335,427	176,291
Schools	1,173,130	450,615
General	564,259	101,104
Total	3,219,841	1,373,834

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 64,697	$ 4,123
Electric light	65,132	30,477

*After operating expenses only. †After depreciation, operating charges, and sinking fund on debt.

Stratford

Stratford had a deficit of $24,043 in 1935 after funding $50,000 of direct relief costs. This was the first year the city found it necessary to fund a portion of its relief costs. Accumulated deficits now total $63,319 and application has been made to the Ontario Municipal Board to fund these over a 10 or 15 year period.

Net debenture debt has shown a steady reduction during the past 10 years, being reduced from $2.7 millions in 1936 to $1.5 millions at the end of 1935. In 1935, the reduction amounted to $186,748.

Bank loans increased in 1935 by $75,000 to $470,000.

Population: Present, 17,627; 1931, 18,626. Area, 2,835 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 733,416
Current expenditure	757,459
Assessed value for taxation	14,842,710
Exemptions not included	3,219,075

Tax rate, 1935: General, 13.9; debenture, 10.2; school, 14.9; total 39 mills.

Total tax rate, 1936: General, 17; debenture, 12; school, 16.3; total 45.3 mills.

Total tax arrears, $367,073; last year's tax levy, $682,818; uncollected $146,000.

Assets and Liabilities

Value of assets	$5,759,887
Total debenture debt	2,837,581
Total sinking fund	1,241,301
Bank loans	470,000
Other liabilities	77,105

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$656,280	$333,780
Local improvements:		
Ratepayers' share	502,150	343,791
Municipality's share	220,182	
General	975,990	563,730
School	482,980	
Total	2,837,582	1,241,301

Bonds guaranteed by city, $41,000.

Public Utilities

	*Net profit
Waterworks	$8,005
Electric light	9,686
Gas	879

*After operating charges, depreciation, interest and sinking fund on debt.

The city pays part of interest and installments re gas works.

Sudbury

Sudbury, in default on debenture principal since October, 1933, has recently shown marked improvement in its financial position as a result of recovery in the nickel mining industry. During the past two years the city has balanced its budget on a cash basis and on a revenue basis a surplus of $61,524 was shown in 1934 and $80,375 in 1935.

In addition to reducing bank loans from $919,000 on Dec. 31, 1931, to $475,000 at Dec. 31, 1935, Sudbury has set up substantial reserves against defaulted debenture principal. As at March 31, this reserve amounted to about half of the amount required to meet defaulted principal.

As a result of the improvement in the city's position it is expected a refinancing scheme will be proposed before the end of the year in order to adjust the default. Only a minor adjustment, such as extension of maturities, should be necessary.

Population: Present, 22,116; 5 years ago, 16,622. Area, 2,710 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 448,770
Current expenditure	368,395
Assessed value for tax. (1935)	12,619,145
Exemptions not included	2,834,100

Tax rate, 1935: General, 17.518; debenture, 14.314; school, 15.168; total, 47 mills.

Total tax arrears, $520,222; last year's levy, $761,742; uncollected, $218,367.

Assets and Liabilities

Value of assets	$4,308,530
Total debenture debt	2,883,988
Total sinking fund	21,972
Bank loans	474,810
Other liabilities	126,130

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$- 343,439	......
Local improvements	1,364,120	......
General	1,176,429	$21,972
Total	$2,883,988	$21,972

Public Utilities

	*Net earnings	†Net profits
Waterworks	$ 43,537	$ 12,764
Electric light	154,492	127,241

*After operating charges only. †After operating expenses, depreciation, interest and sinking fund on debt.

Welland

Welland improved its position materially in 1935, reducing its net debenture debt by $100,000 and its bank loans by $9,840. In addition, operations of the city showed a surplus of $15,587 as against a deficit of $8,416 in 1934.

Tax collections showed an improvement of over $12,000, amounting to 98.3 per cent of the levy. Collections of current taxes were 76.5 per cent of the levy.

Population: Present, 10,402; 5 years ago, 10,338. Area, 1,100 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 551,694
Current expenditure	*544,346
Assessed value for taxation	9,306,520
Exemptions not included	2,608,300

*Exclusive of relief.

Total tax arrears, $199,000; last year's levy, $452,483; uncollected, $103,202; reserve for uncollectible taxes, $50,184. Tax sale lands or certificates held, less reserves for depreciation, $29,968.

Assets and Liabilities

Value of assets	$3,903,262
Total debenture debt	2,007,737
Total sinking fund	444,244
Bank loans	44,102
Bonds guaranteed	75,000

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$ 588,978	$214,819
Local improvements:		
Ratepayers' share	244,056	48,357
Munic. share	451,618	
Schools	567,622	122,404
Parks	15,466	
General	139,996	58,664
	$2,007,737	$444,244

Public Utilities

	*Net earnings	†Net profits
Waterworks	$39,483	$ 505
Hydro-electric	44,051	6,246

*After operating charges only. †After deduction of all charges.

Windsor

No financial statement for the new city of Windsor, which is an amalgamation of Windsor, East Windsor, Sandwich and Walkerville, is available for the 1935 fiscal year.

As a result of negotiations extending over some months a revised refinancing scheme for the combined debt of the four municipalities has been approved by the bondholders' committees. Full details of the scheme will be sent out to bondholders in the near future and the plan presented to the Ontario Municipal Board for approval.

Under the revised plan bondholders are to receive full principal in new 60-year bonds bearing interest at various rates. Holders of Walkerville bonds will receive 4¼ per cent on the new bonds, of the old city of Windsor bonds 3½ per cent, of East Windsor bonds 2 per cent and of East Windsor 1½ per cent. In addition a cash distribution will be made on account of accrued interest.

Tax collections in each of the four municipalities merged into the city of Windsor were in excess of the tax levy in 1935. This was due to large payments of arrears. Total tax collections for the four municipalities were $4.4 millions, more than $500,000 over the combined levies.

This improvement has continued into 1936. Up to May 7 last, collections of 1936 taxes totalled $2.3 millions or 58 per cent of the levy.

Toronto

Toronto has the soundest financial position of the major cities of Canada. Since 1932 there has been a reduction of $18 millions in the city's net debenture debt. In 1935 there was a reduction of $10 millions. The decline in 1935, however, is offset to some extent by an increase in bank loans. An indication of its sound credit standing is the recent sale of $6.1 millions of debentures at a cost to the city of only 2.43 per cent.

Of a gross debenture debt of $180.6 millions, $98.2 millions is revenue producing and specially-rated. Only $91.4 millions of this revenue producing debt is entirely self-sustaining.

Tax collections showed improvement in 1935. Despite an increase in the levy, collections of current taxes increased from 78.7 per cent of the levy in 1934 to 82.1 per cent in 1935. Receipts of arrears of taxes were also better, total arrears at Dec. 31 last being lower than in the previous year.

Population: 1934, 629,285; five years ago, 606,370. Area, 25,966 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 39,313,136
Expenditure	39,195,988
Assessed value for taxation (1936):	
General	908,437,728
Public school	929,835,707
Separate school	49,862,240
Exemptions not included	158,481,708

Tax rate, 1935: General, 23.65; separate school, 15; public school, 10.50; total separate school, 38.65; total public school, 34.15.

Tax rate, 1936: General, 24.35; separate school, 15.05; public school, 10.50; total separate school, 39.40; total public school, 34.85.

Tax arrears, Dec. 31, 1935, $10,048,359; last year's tax levy, $35,522,338; uncollected, $6,331,057.

Assets and Liabilities

Value of assets	$ 199,964,283
Total debenture debt	180,683,302
Total sinking fund	25,796,159
Total liabilities and reserves	199,847,135

Debenture Debt (Dec. 31, 1934)

	Deb's. outstanding	Sink. fund on hand
Public utilities	$ 85,776,713	$ 13,909,456
Local improvements:		
Ratepyrs' sh.	12,472,339	18,930
City's share	12,942,080	5,739
General	44,905,594	7,193,748
Schools	24,586,576	4,668,287
Total	180,683,302	25,796,159

Bonds guaranteed (not included above) $23,703,000.

Public Utilities
(Dec. 31, 1934)

	†Net loss
Waterworks	$ *826,072
Abattoir	19,505
Exhibitions	202,751
Island Ferries	45,897
Radial Rlys. in liquidation	218,379
Housing Commission	10,509
Harbour Commissioners	1,128,920
Royal Winter Fair	85,700

†After operating expenses, interest and sinking fund debt. *Deficit.

Woodstock

Woodstock maintained its position in 1935 as one of the best tax collecting cities in the Dominion, collections of current taxes amounting to 91 per cent of the levy. Arrears of taxes amount to only $61,135.

Net debenture debt during the past two years has been reduced by $178,000.

Population: Present, 11,100; 5 years ago, 10,840. Area, 1,525 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 368,809
Expenditure	372,281
Assessed value for taxation	7,577,867
Exemptions not included	1,341,200

Tax rate, 1935: General 11.3429; debenture, 10.9948; schools, 12.9000; total, 37.40.

Total tax arrears, $61,135; amount of last year's levy, $325,305; uncollected, $31,528.

Assets and Liabilities

Value of assets	$1,240,956
Total debenture debt	947,893
Total sinking fund	258,448
Bank loans	62,000
Other liabilities	131,151

Debenture Debt

	Deb's. Outstanding	Sink. Fund on Hand
Public utilities	$ 77,356	$ 60,971
Local improvements:		
Ratepayers' share	193,516	10,023
Municipality's sh.	163,759	4,424
General	361,802	102,022
School	151,460	81,008
Total	947,893	258,448
Bonds guaranteed		$8,237

Public Utilities

	*Net Earnings	†Net Profits
Waterworks	$ 17,480	$ 13,418
Electric light	23,129	4,365

*After operating charges only. †After operating expenses, interest and sinking fund charges.

Quebec

(Continued from page 13)

Quebec

Quebec, capital of the Province of Quebec, reports that ordinary expenses exceeded ordinary revenue by $207,919 in the year ended April 30, 1935, and an increase in net debt of $637,457.

Net debenture debt, including guaranteed school debt, increased during the 1934-35 fiscal period by $1.4 millions to $33.6 millions. At the same time, however, bank loans declined from $7.1 millions to $4.6 millions. Other liabilities consist of a loan of $1.4 millions from the provincial government against which cash of over $750,000 has been deposited and accounts payable of $1.1 millions.

Population Present, 145,357 (est.); five years ago, 136,172. Area, 5,755 acres.

Assessment and Taxation
As at April 30, 1935

Current revenue	$4,427,495
Current expenditure	4,635,779
Assessed value for tax. (1934)	122,556,247
Exemptions not included	57,019,560

Total tax arrears, $4,557,634; last year's levy, $3,329,412.

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
General	$31,268,487	$2,660,506
School	6,584,000	1,438,955
Total	$37,852,487	$4,099,461

Assets and Liabilities

Value of assets	$34,523,124
Total debenture debt	37,852,487
Total sinking fund	4,099,461

Montreal

With tax arrears on the increase and large deficits being incurred, the net debenture debt of Montreal, Canada's largest city, has been increasing at an alarming rate. From the end of 1932 to Oct. 31, 1935, there was an increase of $21 millions. Since the latter date there has been a further increase as an additional $17 millions of bonds have been sold.

Sinking fund as shown below consists of securities actually held. In addition there are uninvested balances of $4.5 millions which constitute borrowings of other funds.

Bank loans in the six months ended Oct. 31, 1935, declined by $10.5 millions.

No statement has yet been issued as to results in the year ended April 30, 1936. Neither has any official statement been issued for the year ended April 30, 1935, auditors having refused to sign the report "without certain reservations."

Population: 1933: 1,162,520; 1928, 1,032,385. Area, 32,254 acres.

Income and Assessment
6 Months to Oct. 31, 1935

Revenue	$17,463,452
Expenditure	17,541,761
Assessed value for taxation	901,891,015

Total tax arrears, $21,308,820; last year's levy, $25,769,321; uncollected, $10,593,622.

Assets and Liabilities
(At Oct. 31, 1935)

Value of assets	$359,336,992
Total debenture debt	266,228,114
Sinking fund	35,215,195
Other liabilities	13,540,437
Bank loans	13,425,000

Granby

Granby enjoys a sound financial position, having a low debenture debt, no bank loans and good tax collections.

The city's only current liabilities at the end of 1935 were accounts payable of $11,858. Cash on hand of $11,180 and relief grants of $5,777 due from the provincial government were more than sufficient to meet these. During the year net debenture debt was reduced by $28,000. In 1936, an issue of $160,000 of sinking fund bonds falls due. Sinking fund is more than sufficient to meet this maturity.

Population: Present, 12,000; 1926, 8,500. Area, 960 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 146,255
Expenditure	147,059
Assessed val. for taxation	6,647,868

Tax rate, 1935: General, $1.10; special, $0.40. Tax arrears collected, $21,357.

Assets and Liabilities

Total assets	$1,352,225
Total debenture debt	780,275
Sinking fund reserve	166,546

Grand 'Mere

Grand'Mère reduced its net debenture debt by $36,946 in the year ended Jan. 31, 1935 and bank loans on current account by $43,069. At the same time the excess of current assets over current liabilities increased from $30,954 to $49,340.

Tax collections showed improvement during the year and as a result arrears show a slight reduction.

Population: Present, 8,000; 7 years previously, 7,800. Area, 1,945.3 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 262,901
Expenditure	262,453
Assessed value for taxation	15,517,512
Exemptions not included	none

Tax rate, 1935-36: General, 2.50; debenture, 6; school, 7.50; total, 16 mills.

Total tax arrears, $20,682; last year's tax levy, $143,595.

Assets and Liabilities

Value of assets	$2,230,105
Total debenture debt	▴1,808,700
Total sinking fund	▴146,780
Other liabilities	51,027
Bank loans	30,000

▴Exclusive of school debt.

Debenture Debt

	Deb's. Outstanding	Sink. Fund on Hand
Public utilities	$ 730,131	$ 77,655
Local improvements	1,078,569	69,095
School	652,200	59,083
Total	2,461,900	205,833

Public Utilities

	*Net Earnings	†Net Profits
Waterworks	$ 9,639	$ ‡3,787
Electric light	24,941	18,411
Toll bridge	21,757	‡7,437
Housing	1,380	‡3,797

*After operating expenses only. †After operating expenses, interest and sinking fund charges. ‡Deficit.

Hull

Hull's tax collections showed considerable improvement in the year ended April 30, 1936, tax arrears being reduced by $70,814. Net debenture debt was reduced during the year by $19,187. At the end of the year current assets exceeded current liabilities by $382,063. On current operations in 1935-36 the city had a deficit of $39,453, the city's share of relief expenditures being met out of current revenue.

Population: Present, 30,004; 1930, 29,432. Area, 4,000 acres.

Income and Assessment
Year Ended May 30, 1936

Current revenue	$851,249
Current expenditure	836,191
Assessed value for taxation	19,119,369
Exemptions not included	13,453,295

Tax rate, 1935-36, total, 16 mills.

Tax arrears, $500,968; last year's levy, $664,846; uncollected, $210,608.

Assets and Liabilities

Value of assets	$6,069,052
Total debenture debt	4,584,300
Total sinking fund	485,155
Bank loans	71,900
Other liabilities	272,252

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$1,113,879	$1,749
Local improvements	1,885,812	294,539
General	1,584,608	188,867
Total	4,584,300	485,155

Public Utilities

	*Net earnings	†Net profits
Waterworks	$82,303	$2,045

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Joliette

Joliette enjoys a strong financial position, having a low debenture debt and no bank loans. Current assets exceed current liabilities by $116,634, the latter amounting to only $15,746 as at Dec. 31 last. Net debenture debt was reduced by $20,619 in 1935. If profits from public utilities are taken into account the city had a surplus of $4,225 in 1935.

Population: Present, 11,976; 5 years previously, 11,413. Area, 1,288 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$ 161,669
Expenditure	157,443
Assessment value for taxation	4,903,148
Exemption not included in above	38,092

Tax rate, 1935: General, 65%; debenture, 35%; school, 1.25%; total, 2.25%.

Total tax arrears, $100,413; last year's levy, $64,467; uncollected, $39,607.

Assets and Liabilities

Value of assets	$2,208,740
Total debenture debt	1,111,000
Total sinking fund	254,594
Bonds guaranteed	$1,110,000

Public Utilities

	*Net Earnings	†Net Profits
Waterworks	$ 35,028	$ 11,098
Electric light	47,261	38,071
Gen. administration	.....	4,225

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

Lachine

Lachine is adjacent to Montreal and operates under the supervision of the Montreal Metropolitan Commission. During the past three years the city's net debenture debt has increased by $507,157. In 1935 the increase amounted to $158,547. This was offset by a decline in floating debt, bank loans declining from $220,593 to $85,326.

At Dec. 31, 1935, current assets exceeded current liabilities by $205,837.

Population: 1935, 19,037; five years ago, 19,026. Area, 2,996 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$622,143
Current expenditure	596,456
Assessed value for taxation	20,651,731
Exemptions not included	6,609,630

Tax rate, 1935: General, 1.70; schools: prot., 1.00; neutral, 1.20.

Total tax arrears, $371,871; last year's levy, $602,733; amount uncollected, $199,910.

Assets and Liabilities

Value of assets	$6,387,798
Total debenture debt	5,520,924
Total sinking fund	1,198,542
Bank loans	85,326
Other liabilities	162,409

Outremont

Outremont reduced its net debenture debt in 1935 by $279,121 to $4.6 millions. Other liabilities increased, however, so that the decrease in total net debt was only $177,859.

The city has no bank loans and at Dec. 31 last current assets exceeded current liabilities by $277,879. Included in current assets of $761,833 was cash of $256,561.

Tax collections improved in 1935, arrears being reduced by $48,878 to $488,549.

Population: Present, 29,300 (est.); five years ago, 22,430. Area, 975 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,229,286
Expenditure	1,234,625
Assessed value for taxation	42,664,404
Exemptions	9,704,285

Tax rate, 1935: General, $10; police and fire, $2.75; lighting, 18c.

Total tax arrears, $488,549.

Assets and Liabilities

Value of assets	$8,347,699
Total debenture debt	5,940,620
Sinking fund	1,568,835

St. Hyacinthe

St. Hyacinthe reports a surplus of $24,097 on current operations, a reduction of $51,695 in net debenture debt and a slight improvement in tax collections in 1935. Collections of the current taxes amounted to 86.2 per cent compared with 85 per cent in 1934. Of a gross debenture debt of $1.5 million only $894,169 is a charge upon the tax rate. Profits on the city's public utilities are more than sufficient to service the debenture debt of these departments.

Population: Present, 14,926; five years previously, 13,500. Area, 1,170 acres.

Income and Assessment
Year Ended December 31, 1935

Current revenue	$ 393,965
Current expenditure	369,868
Assessed value for taxation	$12,428,530
Exemptions not included	3,912,000

Tax rate, 1935: General, 7; school, 8; total, 15 mills.

Tax arrears, accumulated, $101,843; last year's levy, $281,937; uncollected, $38,886.

Assets and Liabilities

Value of assets	$2,952,007
Total debenture debt	1,540,385
Total sinking fund	49,574
Other liabilities	127,371

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Waterworks	$ 646,217	......
Local improvements	894,169	$49,574
Total	$1,540,386	$49,574

Public Utilities

	*Net earnings	†Net profits
Waterworks	$56,348	$22,602
Electric light	27,416	9,891

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

St. Lambert

Refinancing of the entire funded and floating indebtedness of the city of St. Lambert is at present under way. The plan, proposed by the Quebec Municipal Commission, has been approved by bondholders and the necessary legislation passed by the Quebec legislature.

Under the terms of the plan, bonds with a coupon rate of less than 5 per cent are being redeemed at par; 5 per cent bonds at 100½; 5½ per cent bonds at 101; 6 per cent bonds due up to and including 1938 at 101; 6 per cent bonds due in 1939 and thereafter at 102. Funds for redemption are being provided by a new issue of $3.3 millions of bonds, sale of which was arranged by the Quebec Municipal Commission.

The city is to continue under the supervision of the Quebec Municipal Commission.

Population: 1931, 6,055; 5 years previously, 6,000. Area, 1,192 acres.

Income and Expenditure
Year Ended December 31, 1935

Revenue	$301,319
Expenditure	351,246

Total tax arrears, $105,436; 1935 tax levy, $232,400.

Assets and Liabilities

Value of assets	$4,296,991
Total debenture debt	3,417,814
Less: Sinking fund	466,557
Net debenture debt	2,951,257
Bank loans	304,925
Housing loans	670,132

Verdun

Verdun, a residential suburb of Montreal, has increased its net debenture debt in the past two years by $1.1 millions. The increase in 1935 was $308,653. This was offset to some extent by improvement in the city's current position. Whereas current liabilities exceeded current assets by $18,752 at the end of 1934, there was a surplus of $301,240 of current assets over liabilities at Dec. 31, 1935. Current bank loans

(Continued on page 21)

Valleyfield

Valleyfield enjoys a strong capital and current position. Debenture debt is comparatively small and on current account, assets exceed current liabilities by $114,685. Current liabilities as at Dec. 31 last totalled only $19,582.

Population: Present 13,288; 1931, 11,411. Area 1,158 acres.

Income and Assessment
Year Ended December 31, 1933

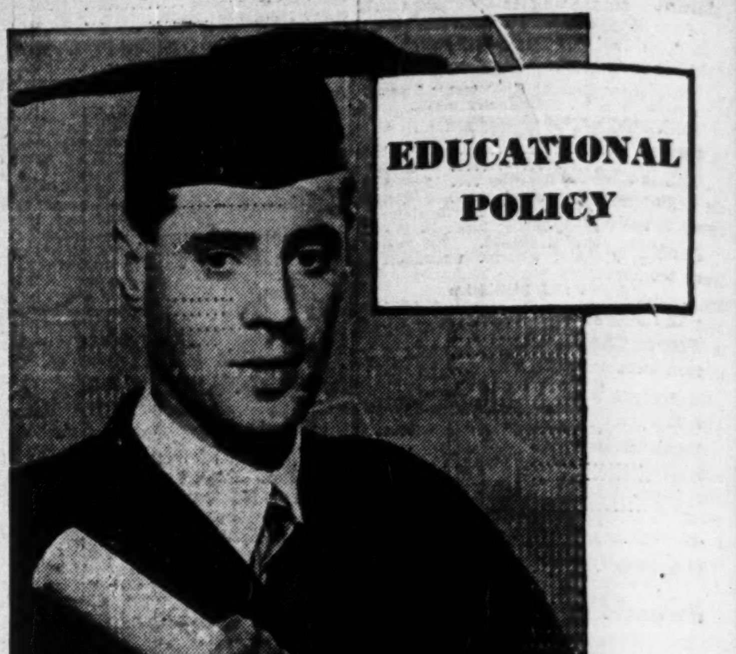
Current revenue	$226,647
Current expenditure	223,444
Assessed value for taxation	10,613,381

Tax rate 1935: General $16; separate schools $8; protestant $7 per mills.

Total tax arrears, $107,676; last year's levy, $143,575; uncollected, $22,679.

Assets and Liabilities

Value of assets	$1,509,105
Total debenture debt	994,900
Other liabilities	19,583



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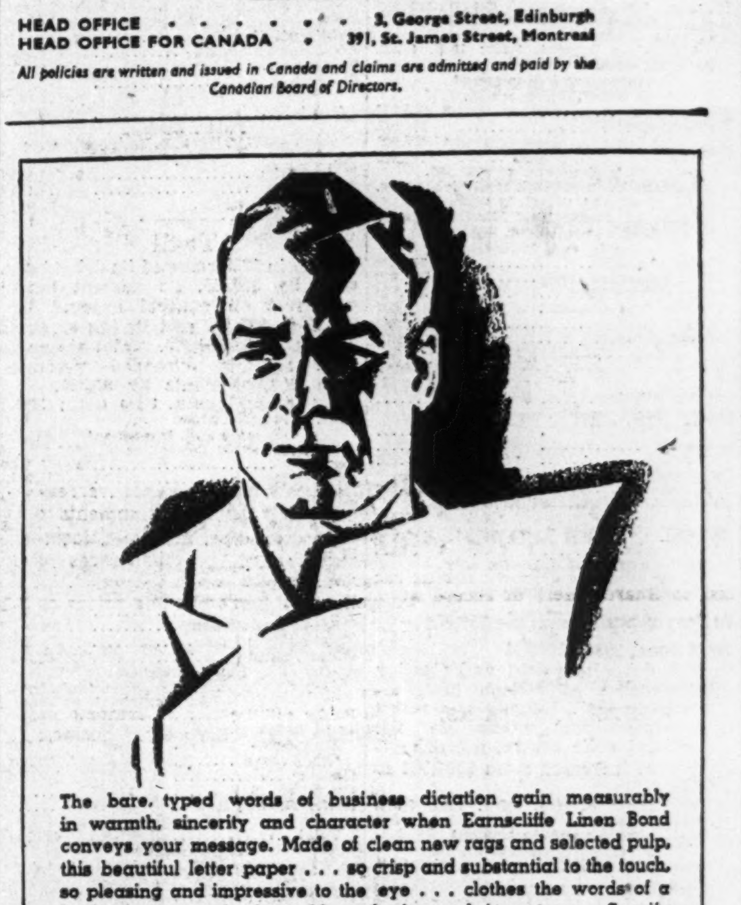

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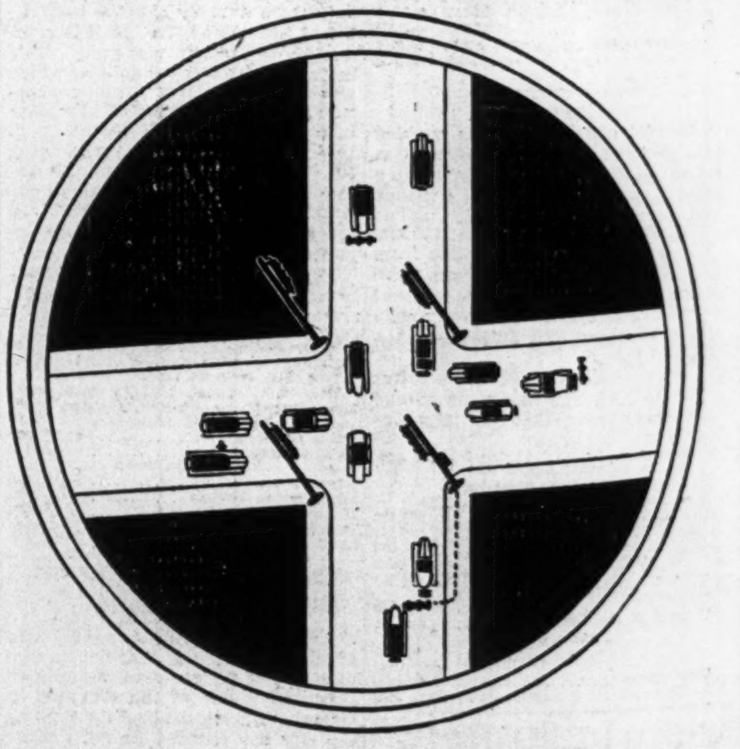

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Week in Wheat

Market Fluctuates As Weather Changes

Threat of Drought and Frost in West But Rains Relieve Australian Situation — U. S. Harvest Starts

From Our Own Correspondent

WINNIPEG.—The wheat market has been showing much sensitiveness to weather.

Until the Western Canada heat wave was broken by cool weather at the beginning of this week there were fears of serious damage. Now comes threat of frost.

Rainfall so far experienced has been comparatively slight, although lower temperatures make it easier for the crop to withstand continued dry conditions. In the United States spring wheat area damage from heat and drought is considered to have been much more serious than in Western Canada. Crop outlook there is now estimated as from fair to poor, with winter wheat prospects improved.

Liverpool's anxiety has been partly relieved by reports of rain in Australia.

Stocks afloat to Europe are currently declining with smaller shipments from southern hemisphere, and Europe obtaining new supplies principally from North American Atlantic ports, where only a short period of ocean transit is involved. The first winter wheat from Texas is now arriving at southern markets, with a possibility of checking the United States demand for Canadian wheat as the movement grows larger.

Unfavorable Weather

DRY, hot weather last week impaired western wheat prospects. Northwestern Saskatchewan has had practically no rain this spring. The West traditionally wants cool, root-growing weather at this season, though not the frost which threatened several sections at the beginning of the week.

Probably nothing has yet occurred to prevent a fair crop being harvested in almost any district, provided June rains are sufficiently plentiful, but in many places bumper possibilities are now considered remote. There has been a little soil blowing and isolated cases of grasshoppers. Extensive damage, however, from either of these or rust is not greatly feared this season.

* * *

Fixed Price Holds

SOME farmers have been alarmed by circulation of reports that the Canadian Wheat Board might reduce its payment on wheat from the basis of 87½ cents to a level more nearly consistent with the present value of wheat. In places there has been a tendency to neglect other farm work in order to rush to market any remaining supplies of wheat left on the farm. Consequently attention has been called to the official legal advice obtained by the old Wheat Board last August to the effect that once the price was set, with the concurrence of the Governor-in-Council, no change could be made during the crop year.

* * *

Dull at Vancouver

THE grain trade at Vancouver, except for a few small shipments to the Orient, has become almost completely stagnant. Nominal prices for various grades have been running well below corresponding prices on the Winnipeg market, but the low freight rates and faster shipment prevailing on the lakes and from transatlantic ports make it impossible for Vancouver to compete on British and European business without still greater cuts in ocean freights. Practically all of the wheat on the Pacific Coast is the property of the Canadian Wheat Board.

Many Vancouver traders are inclined to believe that the present situation will not continue long into the new crop year. At present overseas buyers seem reluctant to commit themselves to purchases involving the long ocean transportation through the Panama Canal. But when any tendency toward a rising price develops, conditions frequently operate in favor of the western port.

* * *

Wheat in Politics

COMMENT by Mr. Broomhall in the "Corn Trade News" of Liverpool indicates that he is opposed to any form of government wheat handling. He says:

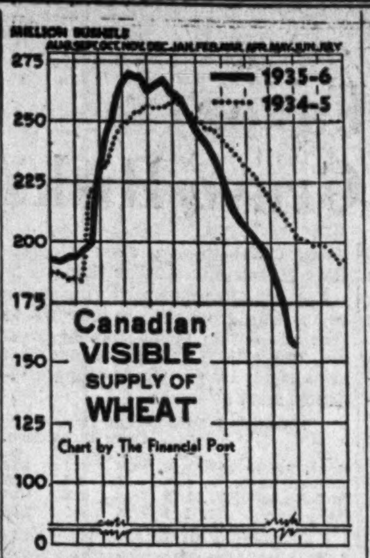
> "The whole wheat question in Canada seems to have deteriorated into one of party politics, and we think the time is not far distant when the task of marketing the surplus will be restored to the legitimate trade. The evidence brought out by the latest enquiry into the Board's activities proves that Canada's interests are not best served by entrusting the marketing of her crop to a Board which has to adhere to a well-advertised policy, irrespective of the fluctuating relationship between actual and prospective supply and demand. The only way in which Canada can dispose of her surplus within a reasonable time at the best possible prices, is for the government to keep out of the trade and allow the machinery of the market to function smoothly, unhampered by vexatious restrictions."

* * *

May Change Quiet

THE expiry of the May future caused no excitement whatever on the Winnipeg market, in contrast with the rise and subsequent sharp fall of prices at Chicago, where trading in the future ceased, according to rule, several days before the end of the month. The Wheat Board had disposed of most of its future commitments long before the end of the month, and such deliveries as were made to it during May were quite unimportant. Spreading operations are continuing between July and October, and it is believed the Board has already put over into October a considerable part of the holdings it expects to carry past the end of July.

Abnormally high temperatures, running up to 98 degrees at Medicine Hat, have caused some anxiety throughout the Canadian western wheat belt. Rain is needed in certain sections to offset the heat, particularly in central Saskatchewan, where both subsoil and surface moisture is lacking.



MOVING OUT

With 5 million bushels lopped off Canada's visible supply of wheat last week, this brings the country's total carry-over to a point not reached previously in the last four years. If the present movement continues for the nine weeks of the crop year yet remaining, surplus carried into the new year which commences Aug. 1, should not amount to more than 115 million bushels.

Practically all of this disappearing Canadian wheat is going directly into export channels.

Details in bushels are as follows:

Canadian Visible

Week of May 29	Week Previous	Last Year
161,953,000	166,623,000	201,545,000
Export Clearances*		
5,714,731	6,680,750	3,207,949

* Plus U. S. imports.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid-up capital stock of this Institution has been declared for the quarter ending 30th June, 1936, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of July, 1936, to shareholders of record of the 20th June, 1936.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 14th May, 1936.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT. for the current quarter, being at the rate of EIGHT PER CENT. PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

THURSDAY, THE SECOND DAY OF JULY

next, to Shareholders of record at the close of business on the Fifteenth day of June, 1936.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, May 20th, 1936.

Dominion Glass Company Limited

NOTICE OF DIVIDENDS

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 30th day of June, 1936.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1936.

The above Dividends are payable on Thursday, the 2nd day of July, 1936, to Shareholders of record at the close of business Monday, the 15th day of June, 1936.

By Order of the Board,

MERVYN OFFER,
Secretary.

Montreal, 26th May, 1936.

The Bell Telephone Company of Canada

Notice of Dividend

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th day of July, 1936, to shareholders of record at the close of business on the 23rd of June, 1936.

F. G. WEBBER,
Secretary.

Montreal, May 27th, 1936.

CENTRAL PATRICIA GOLD MINES

LIMITED
(No Personal Liability)
DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that an interim dividend of 4 cents per share on the issued capital stock of the Company has been declared. Payable on the second day of July, 1936, to the shareholders of record at the close of business on the fifteenth day of June, 1936.

By order of the Board.

ALAN COCKERAM,
Secretary-Treasurer.

Dated Toronto, this 28th day of May, 1936.

Barcelona Traction, Light & Power Company, Limited

(Incorporated under the Laws of Canada with limited liability.)

NOTICE OF PAYMENT OF DIVIDEND ON THE ORDINARY SHARES OF NO PAR VALUE.

NOTICE IS HEREBY GIVEN that the Board of Directors have declared a dividend of seventy-five cents ($0.75 Canadian Currency) per share on the Ordinary Shares of no par value of the Company, payable on the 29th June, 1936, to all shareholders of record at the close of business on the 19th June, 1936.

The payment of the said dividend to non-residents of Canada will be subject to deduction of the Canadian Income Tax of 5%.

DATED at Toronto, Canada, 28th May, 1936.

R. H. MERRY,
Secretary.

NOTE:

The Transfer Agents of the Company are National Trust Company, Limited, Toronto, Canada.

The London Agents of the Company are Canadian and General Finance Company, Limited, 8 London Wall Buildings, E.C. 2.

DIVIDEND NOTICES

Canada Bread Company Limited

Dividend Notice

Notice is hereby given that a dividend of $1.75 per share has been declared on the First Preference Shares of the Company payable July 2nd, 1936, to shareholders of record at the close of business June 15th, 1936. The foregoing dividend declaration covers regular quarterly payment of $1.25 per share together with arrears of 50 cents per share.

By Order of the Board,

W. S. ANTLIFF, C.A.,
Secretary-Treasurer.

Toronto, May 29th, 1936.

Imperial Tobacco Company of Canada, Limited

—DIVIDEND—

NOTICE IS HEREBY GIVEN THAT an Interim Dividend (No. 118) of One and three-quarters per cent (1¾%) on the paid-up Ordinary Shares of the Company has been declared payable on Tuesday, the 30th day of June, 1936, to shareholders of record at the close of business on Friday, the 12th day of June, 1936.

By Order of the Board,

F. P. L. LANE,
Secretary.

MONTREAL, P.Q.,
29th May, 1936.

The Ontario Loan and Debenture Company

196th DIVIDEND

Notice is hereby given that a QUARTERLY DIVIDEND of 3 per cent for the current quarter ending 30th June, 1936 (being at the rate of 12 per cent per annum) has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 2nd July, 1936, to Shareholders of record of the 15th June, 1936.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 27th May, 1936.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Notice is hereby given that a dividend of one dollar and twenty-five cents per share for the quarter ending June 30, 1936, has been declared on the Common Stock of the Company.

The above dividend is payable on July 1, 1936, to shareholders of record at the close of business on June 13, 1936.

By Order of the Board.

W. H. NESBITT,
Secretary.

Toronto 2, June 1, 1936.

World Wheat Seen Normal By July 31

Canada's Carry-over Down to 105 Millions, Predicts Stanford

NEW CROPS MODERATE

Something closely approaching normal conditions in world grain trade by the end of July is predicted by the Food Research Institute of Stanford University, California. World Wheat stocks at that time, it is stated, may total about 665 million bushels, or not far above the pre-depression average.

"With the outlook for a northern hemisphere crop of moderate size, serious crop damage in June and July would probably be strongly reflected in wheat future prices," says the Institute. It looks for prices in Chicago remaining above an export basis through August.

Sees Small Carry-over

Canadian carry-over at the end of the present crop year on July 31 next, the Institute believes, will be approximately 105 million bushels. This is some 15 or 20 million bushels lower than the more hopeful estimates made by leading Canadian grain authorities some months ago. At that time it was considered the new Wheat Board chairman, James Murray, would do a good job if able to reduce Canadian carry-over to 125 million bushels by the end of July.

Back in 1925 or before the period of Canadian wheat accumulation, a carry-over of around 50 million bushels was considered normal, but since that time it has ranged from 75 to over 200. In recent weeks, however, Canadian visible has been dropping at a faster pace.

Little Recent Change

Turning to the general world situation, the Institute states that developments have not been striking in the last four months. The margin between export wheat surpluses and import requirements, it says, appear a little less now than in mid-January. Small upward revisions in estimates of 1935 crop and initial stocks contributed to this change, as did reports on trade and stocks which suggest that consumption of wheat in the world excluding Russia was somewhat below her expectation.

Small Speculator Receives Blessing

No matter what the attitude of official Washington has been toward the larger grain speculators at Chicago, the little fellow who dabbles in wheat and corn has been granted a clean bill of health. In fact in a recent statement from the Grain Futures Administration of the United States Department of Agriculture the small operator is actually praised.

Play Important Part

"Small speculators play a most important part in the merchandising of the nation's grain," says the statement. "Nearly one-half of the speculative long accounts in Chicago grain futures on a recent day were held by speculators with less than 5,000 bushels each and more than 90 per cent of all traders with speculative long accounts in either grain had less than 25,000 bushels each.

"Nearly 600 ocupations and occupational subdivisions were represented among the 18,364 traders in the Chicago futures market at the time of the survey, the list of vocations running alphabetically from abstractor to yeast maker. Farmers ranked first in point of number, 1,492 having wheat futures accounts and 1,047 corn futures. Housewives were second with 802 wheat and 496 corn accounts.

China Leads Foreign Accounts

"Every state in the Union, Canada, Europe, and the Orient, were represented by traders in the Chicago futures market. China ranked first and Canada second in point of number of foreign accounts. Eighty-eight per cent of all wheat accounts and 89 per cent of all corn accounts were speculative. Speculators were predominantly long and hedgers predominantly short, approximately three-fourths of all long contracts in both wheat and corn being held by speculators with approximately four-fifths of all short accounts held by hedgers."

DIVIDEND NOTICES

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Canada Northern Power Corporation, Limited

Common Dividend No. 28

NOTICE is hereby given that a Dividend of 30c. per share being at the rate of $1.20 per annum, has been declared on the no par value Common Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1936, payable July 25th, 1936, to shareholders of record at the close of business on June 30th, 1936.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, May 26th, 1936.

POWER CORPORATION OF CANADA LIMITED

Preferred Dividend No. 44

NOTICE is hereby given that a dividend of 1½% (being at the rate of 6% per annum) has been declared on the 6% Cumulative Preferred Stock of Power Corporation of Canada, Limited, for the quarter ending June 30th, 1936, payable July 15th, 1936, to shareholders of record at the close of business, June 30th, 1936.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, May 22nd, 1936.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.25 per share, payable in Canadian funds, has been declared by the Directors of NORANDA MINES, LIMITED, payable June 30th, 1936, to shareholders of record at the close of business June 10th, 1936.

By Order of the Board,

T. N. HAY,
Secretary-Treasurer.

Toronto, May 28th, 1936.

The Sherwin-Williams Company of Canada, Ltd.

Notice is hereby given that the Ninety-third quarterly dividend of one and three-quarters per cent (1¾%) being at the rate of seven per cent (7%) per annum for the quarter ending August 31st, 1934, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 15th day of June, 1936, and cheques will be mailed July 2nd, 1936.

Books not closed.

By order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que.,
May 7th, 1936.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 31) of 1¾% upon the outstanding Preferred shares of the Company has been declared, the said Dividend to be payable on or after the First day of July, A.D., 1936, to Shareholders of record at the close of business on the 15th day of June, A.D. 1936.

NOTICE IS ALSO GIVEN that a Quarterly Dividend (No. 25) of 15c. per share on the No Par Value Common Shares of the Company issued and outstanding has been declared, payable on or after the 30th day of June, A.D. 1936, to Shareholders of record at the close of business on the 15th day of June, A.D. 1936.

By Order of the Board,

I. N. WILSON,
Secretary-Treasurer.

Calgary, Alberta,
May 30th, 1936.

New Wheat

Heavy rains in the southwestern United States have materially brightened the prospects for winter wheat. Both Kansas and Texas report conditions very materially improved from those anticipated a month ago. The crop now nearing the harvest stage, of course, will be spotty but better than a year ago, provided harvesting conditions are favorable.

The outlook in the central wheat states has also improved, but limited rainfall, coupled with unseasonably warm weather has dimmed the outlook in the spring wheat states of the northwestern area.

* * *

Seeding of wheat continues under favorable conditions in the Argentine.

* * *

With better weather throughout Europe, it is now conceded that the coming wheat crop will be better than anticipated though conditions in France still leave something to be desired.

Yorkton Can't Secure Housing Act Money

From Our Own Correspondent

REGINA.—Members of the Yorkton, Sask., board of trade have complained to Hon. Charles Dunning, finance minister at Ottawa, that they are unable to interest lending institutions to the point where they would advance loans under the Dominion Housing Act.

Mr. Dunning replied he hoped that Yorkton would be considered a favorable lending territory by some lending company. In the meantime the board of trade members are leaving no stone unturned and extensive correspondence with the larger companies will be turned over to a joint committee of the city council and board for consideration.

Delay Assigning Of Pool Payments

Western Producer and Political Organization Owe Bonus Share

From Our Own Correspondent

REGINA. — The federal government has asked the Saskatchewan Wheat Pool to delay paying over the $60,000 involved in payments on assignment to the United Farmers of Canada, Saskatchewan Branch and the Western Producer, the pool's organ published at Saskatoon.

This $60,000 is part of the $3.1 millions payment for Saskatchewan farmers on the 1930 crop, authorized by Ottawa. The delay in payment is to straighten out the legality of paying assignments from this money, dating back to 1927.

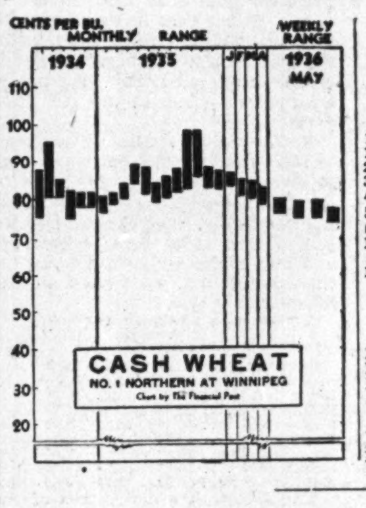
The money due the U.F.C. totals about $40,000 and it is understood most of this is already assigned to the Bank of Montreal on current account spread over a period from 1927. The Western Producer is owned by the Wheat Pool which took over on January 1, 1931, and operated from then on a cash subscription basis. The $20,000 odd marked against the Western Producer will go to the five or six original owners of the Western Producer; Harris Turner and four or five associates.

In all approximately 25 to 27 per cent of the $3.1 millions has been assigned to banks, mortgage houses and other organizations.

SOLD 32,913 ACRES

Unsold lands of the Hudson's Bay Company on Jan. 31, 1936 amounted to 1.9 million acres. During the year there was little net change as 32,913 acres were sold and 46,185 acres reverted to the company under cancelled sales.

Wheat Prices



(Cash Quotations)

	June 2 High	June 2 Low	Prev. Week High	Prev. Week Low
At Winnipeg:	$	$	$	$
1 Man. Hard	.78⅜	.75⅝	.77⅞	.75¼
1 Northern	.76⅝	.74⅛	.76¾	.73⅝
2 Northern	.74	.71⅜	.74¼	.70⅞
3 Northern	.70⅝	.68⅛	.70⅞	.67⅝
4 Northern	.65⅞	.63⅛	.66	.62⅝
5 Wheat	.59⅛	.56⅜	.59¼	.56
6 Wheat	.52⅛	.49⅝	.50¾	.47¾
Feed Wheat	.42⅜	.39⅞	.41¾	.38¼
Vancouver: Week to May 29:				
1 Northern	.73⅜	.71	.75¼	.73¼

Competitive Export Prices:
(May) shipment.

	High Week to May 29	Low
No. 1 North. (Vanc.)	0.89⅞	0.88⅛
No. 2 North. (Atlan.)	0.87½	0.85
No. 2 North. (Vanc.)	0.88⅜	0.86½
Argentine Rosafe	unquoted	
Do., Barusso	unquoted	
Australian (Afloat)	0.89⅛	0.87⅜
Australian	0.93⅜	0.92¼
French	0.81¾	0.78⅛

Winnipeg Grain Futures

Week to June 2, 1936

Crop year from Aug. 1, 1935 High	Low		Open May 27	High for week	Low for week	Close June 2
		Wheat				
1.02¼	.73	May	.74¼	.76⅞	.73⅞	.....
.92⅞	.73⅛	July	.74	.77½	.73⅞	.76⅝
.89	.74⅜	Oct.	.75⅛	.78½	.75	.77½
.78⅞	.77	Dec.	.....	.78⅞	.77	.78⅛
		Oats				
.35⅝	.29⅝	May	.31⅝	.32⅝	.31½	.....
.33⅜	.30	July	.31	.31¾	.30¾	.31⅝
.31⅞	.29½	Oct.	.29⅞	.30½	.29½	.29¾
		Barley				
.42½	.34⅝	May	.36¼	.37⅝	.36¼	.....
.40¼	.35⅝	July	.35⅞	.37⅜	.35⅝	.36⅞
.40¼	.34¾	Oct.	.35⅝	.36¾	.34¾	.35⅛
		Flax				
1.65	1.33	May	1.43	1.48	1.43	......
1.63	1.40¼	July	1.43	1.47½	1.42	1.44½
1.47⅝	1.38¾	Oct.	......	1.43¾	1.39¼	1.40⅝
		Rye				
.51⅞	.38	May	.41	.42¾	.41	.....
.48½	.39⅛	July	.41⅝	.43¼	.41⅜	.42
.49	.41⅛	Oct.	.43	.44⅞	.42¾	.43⅜

Quebec

(Continued from page 20)

of $362,862 were entirely wiped out in 1935.

Population: Present, 60,871; five years ago, 54,000. Area, 1,426½ acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,727,370
Expenditure	1,708,716
Assessed value for taxation	43,229,050
Exemptions	7,278,930

Tax rate, 1935: General, $1; special 65c.; schools, aver., $1.

Tax arrears, $459,332; last year's levy, $1,727,370; uncollected, $435,569.

Assets and Liabilities

Value of assets	$10,119,714
Total debenture debt	9,891,900
Sinking fund reserve	1,901,917
Other liabilities	445,835

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities*	$ 100,000	......
Local improvements	1,747,200	$ 346,925
General	7,034,701	1,532,267
Other	1,009,999	22,726
Total	$9,891,900	$1,901,917

*Housing.

Westmount

Westmount, a self-contained residential municipality surrounded by the city of Montreal, has one of the strongest financial positions of Canadian cities with a population of over 25,000.

Bank balances increased during 1935 from $176,561 to $239,584, while accounts payable declined from $109,702 to $50,311. Of the bank balance of $239,584 at the end of 1935, $47,111 was to the credit of general account and $192,473 to the light and power account.

Population: Present, 26,000; six years previously, 25,000. Area, 976½ acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,199,913
Expenditure	1,195,770
Assessed value for taxation	71,538,706
Exemptions not included	13,833,560

Tax rate, 1935: General, 13; school, 10; debenture, 3½; total 26½ mills.

Total tax arrears, $678,967; last year's levy, $1,680,345; uncollected, $359,284.

Assets and Liabilities

Value of assets	$8,680,894
Total debenture debt	6,623,667
Total sinking fund	2,054,714
Sinking fund surplus	171,435
Other liabilities	98,172

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Electric light	$ 425,000	$ 332,830
General	6,198,667	1,721,884
Total	$6,623,667	$2,054,714

Public Utilities

	*Net earnings	†Net profits
Electric light	$205,466	$114,517

*After operating charges only. †After operating charges, interest and sinking fund charges.

Sorel

Sorel's debenture debt increased by $165,100 and decreased its bank loans by $77,860 in 1935. Current expenditures exceeded current liabilities by over $10,000. Financial statistics for 1935 are shown below:

Population: Present, 10,727; 5 years previously, 10,312. Area 2,000 acres.

Income and Assessment
Year Ended Dec. 31, 1935

Current revenue	$176,718
Current expenditure	187,143
Assessed value for taxation	5,022,000
Exemptions not included	2,821,300

Tax rate 1935: General 14; debenture, 7; school 10.5; total 31.5 mills.

Total tax arrears, $82,194; last year's levy $176,718; uncollected $47,829.

Assets and Liabilities

Value of assets	$1,293,986
Total debenture debt	1,337,900
Bank loans	9,182
Other liabilities	7,292

Debenture Debt

	Deb's. outstanding
Public utilities	$429,800
General	573,100
School	359,000
Other	135,000
Total	1,496,900

Public Utilities

	*Net earnings	†Net profits
Waterworks	$17,284	‡$11,584
General	62,683	‡3,840

*After operating expenses only.
†After operating expenses, interest and sinking fund charges. ‡Deficit.

Sherbrooke

While Sherbrooke reduced its net debenture debt by $87,626 in 1935, this was more than offset by an increase of $104,200 in current liabilities. At the end of the year current liabilities amounted to $725,054, being in excess of current assets by $125,121. Profits were shown by the city's three public utilities—waterworks, electric light and power, and gas. Current revenues exceeded current expenditures by $35,713.

Population: Present, 29,512; five years previously, 28,757. Area, 3,104 acres.

Income and Assessment
Year Ended December 31, 1935

Revenue	$1,227,226
Expenditure	1,191,513
Assessed value or taxation	26,572,440
Exemptions not included	15,533,455

Tax rate, 1935: General, 11; school, 7 or 10; total, 18 or 21 mills.

Total tax arrears, $288,070; last year's tax levy, $586,617; amount uncollected, $141,682.

Assets and Liabilities

Value of assets	$11,834,818
Total debenture debt	5,840,500
Total sinking fund	1,570,985
Bank loans	241,877
Other liabilities	483,177

Debenture Debt

	Deb's. outstand.	Sink. fund on hand
Public utilities	$1,428,500	$ 167,143
General	4,412,000	1,403,842
Total	$5,840,500	$1,570,985

Bonds guaranteed, $75,000.

Public Utilities

	*Net earnings	†Net profits
Waterworks	$65,543	$ 6,456
Electric light	309,523	27,098
Gas	4,205	205
Tax dept.	81,928	6,387

*After operating expenses only. †After operating expenses, interest and sinking fund charges.

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The Week in Mining

Toronto, Montreal, N.Y., Show Big Swing to Golds

May Trading Sets New Highs for Mining Interest — A Blast from the North, and MacLeod-Cockshutt

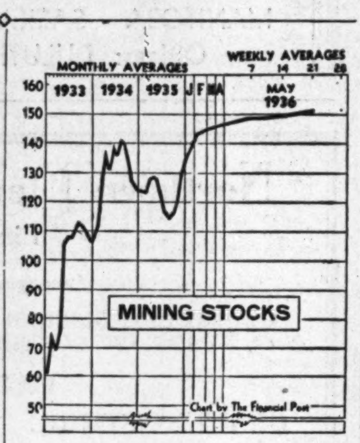
Figures released by the Toronto and Montreal stock exchanges covering May activities give tangible evidence of the tremendous activity current in mining stocks of all descriptions.

In Toronto, the mining section of the Exchange, had the third highest month in its history, transactions totalling 53,651,167 shares or more than double those of the previous month. Values were also about double at $36,774,629.

At Montreal, transactions on the Exchange and the Curb market in May totalled 7.8 millions, an increase of over 5.0 million shares from the previous month. Compared with May, 1935, there was an increase of over 5.4 million shares.

At New York, while interest in Canadian interlisted industrial shares appeared to wane, plenty of interest was shown in Canadian golds, particularly the juniors.

It was trading in the junior stocks which started the boom both in Montreal and Toronto, activity spreading to other parts of the list. Prime mover in the activity in junior stocks was the federal budget, and its three-year tax exemption for new producers. Property news backed it up. Sharp individual movements, such as those of MacLeod-Cockshutt, Hard Rock and O'Brien imparted highlights that exaggerated the trend to some extent.



The MacLeod Deal

AN ICY blast from the north has found its way into the editorial rooms of The Financial Post via the columns of the Port Arthur News-Chronicle.

Rapid development of the mining areas in northwestern Ontario has made of the News-Chronicle an enthusiastic supporter of all things mineral, and like most new devotees to any cause, it appears to be almost hyper-sensitive to criticisms in any form, or to anything which might conceivably be construed as criticism.

It is probably this characteristic which leads the enterprising northern daily to hurdle all obstacles in rushing to the defense of anything, animal, vegetable, or mineral, which has the good fortune to exist on, in, or by the pre-Cambrian shield.

In an article appearing in a recent issue of The Financial Post, dealing with certain options obtained on MacLeod-Cockshutt stock by Joseph Errington, the News-Chronicle sees another slur on the mineral industry, and another cause to be defended.

Being also interested in the mining industry, The News-Chronicle should certainly not differ from The Financial Post in believing that, of vital importance to the mining industry, is the necessity for ensuring that public funds, subscribed for the development of mines, should be spent in the best manner possible, and handled in the best interests of the shareholders. The Post believes that it can help to achieve such a goal by supplying the facts. In this case these facts were not generally known.

Perhaps the News-Chronicle was not aware that two directors of MacLeod-Cockshutt resigned as a result of the Errington option, feeling that the option was not in the best interests of shareholders, and that shareholders should have been given the opportunity to obtain the shares at such attractive prices.

Whether or not it was aware of this fact, the News-Chronicle makes no mention of it in its article, but wonders why The Financial Post mentioned the fact that Mr. Errington was not at the time the option agreement was prepared, even a registered shareholder of the company.

* * *

Firm Commitment

IN STILL another instance does the News-Chronicle indicate that it is not fully cognizant of the matter with which it deals. The article states that Mr. Errington and associates "committed themselves to the extent of $165,000 for a small portion of MacLeod-Cockshutt stock."

This, of course, is wrong. The Errington agreement, as the News-Chronicle can ascertain by reading The Post's article a little more closely, called for a firm commitment on only 100,000 shares at 35 cents per share, or a total commitment of only $35,000, not $165,000. The remainder of the stock was only under option, and need not have been taken up by the Errington group unless development warranted.

* * *

"May Go Up or Down"

THE News-Chronicle also states, erroneously, that the 47½ cents per share average price, was "almost identical with the market price of the stock on the day the deal was made." The facts are, (and again the News-Chronicle is referred to the article which it so heatedly attacks) that on the day the Errington group signed to take an immediate 100,000 shares at 35 cents per share, MacLeod-Cockshutt stock was quoted by unlisted dealers at 50 cents bid, 52 cents asked. That half of the directorate who believe that the deal was in the best interests of the shareholders informed The Financial Post that although the agreement was not signed until April 17, when the above prices prevailed, it had been arranged several days before, when the market was only a few cents over the 35-cent mark. But it is the date of an agreement which is important in such cases.

Again, the News-Chronicle takes issue with The Financial Post's statement that purchasers of MacLeod-Cockshutt and Hard Rock at the peak prices prevailing when the article appeared in The Post were taking a long chance. Shortly afterward the stock of both these companies fell off sharply.

In this connection, The News-Chronicle states that price of MacLeod-Cockshutt then prevailing was "only a nominal thing, a guess as to the future. It may go much higher, it may go lower."

After due consideration, The Financial Post believes that it can, at least, agree with this prediction.

* * *

Matsqui and Silver

SOME weeks ago The Financial Post reported that the municipality of Matsqui, B.C., was, in the words of its reeve, "going to lead the way to recovery" by distributing all relief payments in silver.

The practical initiative of this little municipality is being favorably commented on in the west. In one recent week, the distribution amounted to $4,700, all in silver coins freshly minted. Some 262 men and women received this money in payments ranging from $12 to $30.

Whatever one's views on the silver question may be, it would probably be conceded that the silver policy of Matsqui, a municipality without a brain trust, is, to say the least, no less brainy than the silver policy of that somewhat larger municipality, Washington, D.C.

* * *

Sheep Creek's First

SHEEP CREEK GOLD MINES, whose 150-ton milling plant went into operation in May, 1935, has, just one year afterwards, declared its initial dividend, amounting to two cents per share per quarter. This is the second Sheep Creek, B.C., producer, to become a dividend payer, Reno having declared its initial dividend in January, 1935.

Canadian Pandora Obtains Finances

S. J. Zacks, of C. A. Gentles & Co., queried by The Financial Post, confirmed the report that he, with C. A. Gentles and McCuaig Bros. of Montreal, were behind the refinancing deal for Canadian Pandora Gold Mines, gold prospect in Cadillac Twp., Quebec.

The fact that new funds were available for development of this property has been published, but the identity of the underwriters has not previously been made public.

A new company will be formed, as authorized by shareholders at a special meeting in June, 1935. Under the new financing arrangement, $100,000 will be placed in the new company's treasury, with $100,000 to come under option agreements. Mr. Zacks explained that he and Mr. Gentles were acting independently of the firm of C. A. Gentles & Co.

If the reorganization plans go through, it will be one of many reorganizations since the property was staked in 1927.

In June, 1935, shareholders authorized formation of a new company capitalized at 3 million shares, $1 par. This would allow for a distribution on the basis of one new share for each three old shares held, and would leave a surplus of about 75,000 shares to be sold to meet liabilities.

Marquette Long Lac Gold Mines—adjoining Little Long Lac Gold Mines on the north has completed plans for a geological survey, and is negotiating a contract for drilling.

Deep Drill Hole At Pickle Crow Reveals Values

Core Averages $24 Over 20-ft. True Width

First reports on development at Pickle Crow Gold Mines, in the Patricia area of Northwest Ontario, since the break-up contain encouraging news of drill results.

A deep hole put down from the crosscut opposite the shaft on the 750-ft. level and which cut the vein well below the 1,000-ft. horizon has revealed sludge assays ranging from $4.55 to $36.05 per ton, representing five ft. sections of the sludge. The core averaged $24 over 20 ft., true width.

Ore lengths exposed on the three lower levels are also increased from last reports, and on the 500, 625, and 750-ft. levels, show a total of 3,028.5 ft., averaging, on the three levels, about $22.75 over average widths of 31 inches.

The mill has been operating steadily, with grade running about $30 for the past six weeks, showing an improvement over first quarter figures, when millheads averaged $28.

On surface, the company reports a new find, running parallel, about 1,300 ft. to the north. It is a quartz vein, but owing to the lateness of the season, little work has been done on it as yet.

The company announces a meeting of directors is being held at which a resolution authorizing payments of a second dividend of 5 cents per share will be passed. The payment will be made June 30, to shareholders of record June 15.

At the Mines

Big Master Consolidated—officially announces it has purchased from Murwood Gold Mines all that company's interest in the property, located in the Kenora mining division of Ontario. Ownership of the Big Master property and all Murwood's claims in the Lake Manitou area is now vested in Big Master.

* * *

Bunker Hill Extension—reports to the Toronto Stock Exchange that the company has sold 125,000 shares at 11 cents per share, to net the treasury $13,750.

* * *

Central Porcupine Mines—informs The Financial Post that options on 300,000 shares at 25 cents per share have been fully taken up, leaving the treasury with a current cash position of approximately $90,000. Underground development is continuing.

* * *

East Malartic Mines—J. P. Norrie, vice-president, announces that a station at the 175-ft. level is being cut, and that excellent vein material has been encountered from 130 ft. to the bottom.

* * *

Gurney Gold Mines—Drifting on the 250 and 375-ft. levels is proving persistence at depth of vein materials and values as at the 125-ft. level on this Manitoba property, The Financial Post is officially advised.

* * *

J-M Consolidated Mines—reports that a further 25,000 shares were taken up at 40 cents per share during the past month under the option agreement dated January 6 last.

* * *

North of 54 Mines—has completed surface operations on its property in the Flin Flon area of Manitoba, and the property is now ready for drilling. Finances for drilling are now being sought.

* * *

O'Brien Gold Mines—May shipments of bullion from this mine reflect high-grade ore recently encountered in underground work. It is officially reported that May shipments up to May 29, amounted to $106,225, and had a content of 3,035 ounces gold.

* * *

Preston East Dome—The first option is dormant under the agreement dated January 28 last, consisting of 250,000 shares at 15 cents per share, provided it is taken up by October 1 next.

* * *

Quebec Gold Mining Corp.—states that options good until August 31 next to purchase 150,000 shares at 20 cents per share as provided in the agreement dated August 31, 1933, has been exercised.

* * *

Red Lake Gold Shore — has acquired two more claims adjoining the property on the north and protecting the vein extension in that direction. The total ground now held by this company is 1,200 acres. The property is being equipped for a 125-ton mill, which will be set up this August.

* * *

Waterloo Gold Mines—The company has concluded share option arrangements, and plans to resume work this summer on its property in the Greenwood mining division of British Columbia. To help finance this development, large shareholders are reported to have turned back shares to the company as a donation.

Ontario Metal Output Grows in First Quarter

Improvement in nickel sales, increased gold output, and improved copper export prices combined to make the first quarter metal production for Ontario attain a value of $37,635,296 as compared with a value of $29,517,953 in the first quarter of 1935.

In quantity, gold production has increased 11.4 per cent; refined copper 22.3 per cent and refined nickel 53 per cent. Cobalt, while falling off in quantity showed a slight increase in value.

A tabular record of Ontario mineral production, for the first quarter of this year and 1935, as estimated by the Ontario Department of Mines, follows:

Mineral Production
(3 Months Ended March 31)

Product:		Quantity 1935	Quantity 1936	Value† 1935	Value† 1936
Gold	oz.	500,299	557,380	$17,510,465	$19,572,025
Silver	oz.	1,111,407	927,235	618,731	409,099
Copper	lb.	58,632,053	69,236,909	3,762,501	5,912,582
Copper in matte exported	lb.	2,425,169	3,723,427	109,133	204,788
Nickel	lb.	29,021,486	44,436,019	7,447,487	11,273,079
Selenium	lb.	*	27,500	*	55,000
Tellurium	lb.	*	2,255	*	4,131
Cobalt, metallic, etc.	lb.	95,934	190,340	68,953	199,692
Lead in smelter products exported		1,830	2,951	40	100
Chromite	tons	48	400	643	4,800
Total value in Canadian funds				$29,517,953	$37,635,296

*Not available. †In Canadian funds.

Investing for the Next Five Years

Mining Shares Gain in Favor To Hedge Against Grave Risks

Canadian metal mining shares have been so associated with speculative and promotional excesses that many investors have got the impression that mining shares cannot be ranked as investments.

The error of this view is demonstrated by the fact that many investment trusts and well-informed private investors have been adding to holdings of mining shares for several years. They have profited and seem likely to continue to profit from well-chosen investments in metal mining.

Apart from the types of companies, metal mining in Canada is in two broad fields: (1) Companies mining gold, and (2) those extracting base metals.

To get a clear view of the outlook for metal mining, it is first necessary to look into the broad differences between gold and the baser metals.

It boils down to a question of markets and prices. For gold, the problem is inextricably associated with international finance. For base metals the outlook is intimately related to industry and economic conditions.

Price of Gold

When the dollar value of gold was raised officially to $35 an ounce in the United States a little over two years ago, it marked the first permanent rise of importance in over 200 years.

There seems to be less probability of a fall in the price of gold within the next five years than of a rise. Naturally, if it can be assumed safely that $35 an ounce will remain as the price of gold, the future for gold mining companies should be one of prosperity for many years.

Effect of Price Rise

The chief effect of the increased price for gold is in the increase of nearly 70 per cent in value without a corresponding rise in costs. This means it is possible to make profits on low-grade ores that were not of commercial grade at the old price of $20.67 an ounce.

Not only does it allow new mines to start production from what were formerly low-value ores but it lengthens the life of older mines immeasurably. They can mine lower grades and save their richer ores and still make much higher profits than heretofore, as shown in the following:

Recovery and Costs Per Ton

Company	Recovery —per ton— 1933	Recovery —per ton— 1935	Oper. exps. —per ton— 1933	Oper. exps. —per ton— 1935
	$	$	$	$
Dome	8.28	13.27	4.70	4.14
Hollinger	7.98	8.00	4.60	4.59
Siscoe Gold	16.78	15.25	7.25	7.40
Teck Hughes	12.94	11.83	5.74	5.17
Wr. Hargreaves	12.63	12.50	7.91	7.71
Lake Shore	16.64	19.24	6.79	6.75
McIntyre Porc.	8.09	9.74	4.62	5.44

The fact that ore reserves of the larger Canadian gold mines usually appear to be sufficient for only two or three years production need not necessarily be a cause for worry. The mines only count as ore reserves the developed deposits, and the known but undeveloped bodies are not counted. Even if increases in actual ore resources as a result of the improved price for gold are not shown by the companies, they nevertheless exist, and this lengthening of the life of older mines is most important for the investor.

Use of Gold

The world's most brilliant economists acknowledge that in theory the use of gold as a monetary reserve may eventually become unnecessary. For a long time, however, gold appears likely to continue in great demand. Otherwise the market for gold mine shares would collapse.

Established Golds

A representative group of the established dividend-paying Canadian gold mines, those that rank as "established" payers, follows:

Older Gold Producers

	Div.	Price	Yield	Earns.
	$	$	%	$
Dome	4.00	60	6.7	3.90
Hollinger	.90	15	6.0	1.03
Lake Shore	4.00	58	6.9	4.12
McIntyre	2.00	43	4.7	4.49
Sylvanite	.20	2.60	7.7	.26
Teck-Hughes	.40	5	8.0	.49
Wr.-Hargreaves	.60	8	7.5	.70

Except for McIntyre-Porcupine, it will be noted that the yields vary from 6 to 8 per cent, with 7 per cent an approximate average. Another way of appraising market value is to say that they sell at 10 to 15 times earnings.

For investment purposes, these prices seem somewhat high. However, it has been claimed for years that Canadian gold shares were too high and now they are paying the biggest dividends on record and are returning big yields on their former price levels.

For investment purposes, it must be remembered that in mining the assets are continually being depleted. Consequently, the dividends over a long term should be high enough to return to the investor his capital as well as a reasonable return on his money.

The Dominion government allows the investor, for income tax purposes, to treat one-third of his dividends from mines as a return of capital. On this basis, a yield of 7 per cent can be considered as an investment yield of 4 2/3 per cent plus a return of 2 1/3 per cent of capital. At this rate it would take 43 years for the investor to get his capital back and meanwhile he would have had an income of only 4 2/3 per cent on his original investment.

This does not appear to be a highly attractive investment basis. If earnings rise sufficiently to give dividends of 10 per cent on present prices, the investor could count on getting his capital back in 33 years and have an income of 6 2/3 per cent on his investment over the period. Despite their amazing performances of the past, can these mines can be counted upon for another 33 to 43 years of dividends at present or increased rates?

Younger Golds

Undoubtedly there is going to be a continuation of production by new and younger mines in the next five years and perhaps long after that, provided the price of gold stays at $35 an ounce. Here is a group of comparatively new producing gold mines:

Younger Gold Producers

	Div.	Price	Yield	Earn.
	$	$	%	$
Beattie Gold	.05	1.30	4.0	.08
Little Long L.	.20	6.75	3.0	.23
Pickle Crow	.05	5.75	0.9	.14
Siscoe	.20	3.50	5.7	.23

Obviously there are investment risks in buying shares that pay so little and must depend on underground developments to expand earnings. The possible profits in capital value, however, would be attractive if this risk could be hedged. Probably the best way to do it is to divide investment funds among several of the more promising of the younger gold mines. Even if only one were to become a major mine, the operation would probably be profitable.

Non-producing Mines

Last but not least among gold mining shares, the investor who hopes to profit in the next five years from $35 gold must consider shares in companies that are not yet in the producing stage. The risks in these are so great that only general rules can be suggested. Among them must be these:

1. Be sure the company has sound financial sponsorship, so that it can be brought into production.
2. Investigate the records of the management to appraise its efficiency.
3. Get a reasonably accurate idea of the findings on the property and in the particular area.
4. Diversify among the more promising companies in any one area by buying fewer shares of several companies, rather than plunge in one company's stock.

Base Metals Markets

Shares of base metal mines have recovered popularity in several notable instances. This is due to a large extent to the recovery in industrial activity and demand for base metals for commercial use. This, of course, has been accompanied by somewhat higher market prices for metals, as indicated below:

Year Average Metal Prices*

	1929	1932	1935	Change '29-'35
	c.	c.	c.	%
Copper, lb.	18.3	6.4	7.8	—57.4
Zinc, lb.	5.4	2.4	3.1	—42.6
Lead, lb.	5.1	2.1	3.2	—37.3
Silver, oz.	53.4	31.7	64.5	+20.8

*All base metal prices based on spot London quotations in Canadian funds; silver price based on New York price in Canadian funds.

Except for silver, the market for which is subject to peculiar hazards, prices of base metals are still well below 1929. Consequently, further industrial recovery may bring considerably better metal prices. Except for purely silver mines, therefore, it may be that within the next five years there will develop a sort of boom in base metal shares. It is particularly evident that durable goods industries that are heavy consumers of base metals have not enjoyed a recovery to anything like normal. So the opening for base metals recovery is still large.

In the event of further recovery of metal prices, mining shares that have been virtually forgotten would come in for attention. And newer base metal properties would be benefitted. Among the companies that would probably become more popular would be Sherritt-Gordon, Opemiska Copper, B. C. Nickel, Consolidated Chibougamau, Coast Copper, Base Metals and similar firms.

Further improvement in metal prices would benefit not only mines that are not in production at present, but also the major mines that are already earning and paying dividends, such as these:

Established Base Metals Group

	Div.	Price	Yield	Earn.
	$	$	%	$
Cons. Smelters	1.30	56	2.3	1.34
Hudson Bay	1.00	27	3.7	1.17
Int'l Nickel	1.20	47	2.5	1.65
Noranda	2.25	55	4.1	2.63

Copper-gold producers like Noranda have two strings to their bow. When copper was low, Noranda profited by concentrating on gold production. With recovery for copper prices, profits from this metal have been increased.

Comparative stability of earnings has resulted, but there are great potentialities for higher earnings from this mine. The beauty of the Noranda situation is that known ore deposits are sufficient to feed the mills for 20 years on the present scale of production and probably with increased earnings

Diversity of Production

Hudson Bay Mining & Smelting Co. is another base metal proposition that has benefitted from its allied production of precious metals. Huge copper-zinc deposits are being worked, but it is the gold and silver content that has allowed profits in the depression. And recovery of copper and zinc prices would allow considerable expansion of earnings.

Consolidated Mining & Smelting Co. is one of the world's largest producers of lead and zinc from the Sullivan mine and naturally stands to benefit greatly from any improvement that is coming in metal prices. It owns some gold properties that have eventual prospects of production and would also bring into production some of its base metal subsidiaries if metal prices rise. Meanwhile even under present conditions it can earn dividends on its own operations.

Fabulous Nickel

International Nickel's chief product is nickel and the price has been stable at 35 cents a pound, this being virtually a monopoly price level. Also, however, the company is an enormous copper producer. Industrial recovery, therefore, is important to the company in causing increased demand for nickel and in raising the price of copper. Further recovery leaves room for even higher earnings.

In investing in these big base metal mining companies, the investor should find several attractions. First, their ore reserves are enormous and good for a generation or more. Second, they share in industrial recovery. Third, any inflationary rise in commodity prices would benefit them materially. Even if war develops within the next five or ten years, they would not suffer until another depression follows.

Holdings Companies

The principle of the investment trust is usually diversification among many industries and many securities. However, there are investment trusts devoting themselves chiefly to mining development, such as these:

Exploration and Investing Firms

	Div.	Price	Yield	Earn.
	$	$	%	$
Anglo-Huronian	.20	5	4.0	.38
Ventures	.05	2	2.5	.10

There is some safety in shares of such companies because of the many chances they have of developing prosperous mines. Ventures Ltd. has just declared its initial dividends, and hereafter will probably rank as a low-yielding investment with speculative possibilities.

Anglo-Huronian is a good example of diversity for the small investor in mining. While it is searching for its own gold mine, it has built up book assets of nearly $4 a share by shrewd investing.

TO THE SHAREHOLDERS OF
HUDSON PATRICIA
GOLD MINES LIMITED
(No Personal Liability)

The Directors of this Company take great pleasure in advising the shareholders that Hudson Patricia Gold Mines Limited is now on a production basis, the mill having been completed well ahead of schedule and milling ore started on Saturday, May 30th.

To those shareholders whose faith in the property and whose financial co-operation have made this possible and whose patience in the long and arduous task of bringing the mine into production has so greatly aided the management, the Directors convey their sincere appreciation and venture to express the hope and expectation that their reward is now well on its way.

HUDSON PATRICIA GOLD MINES LIMITED
(No Personal Liability)
M. H. LEBEL
President
June, 1936

NOTICE OF ANNUAL MEETING

Sylvanite Gold Mines, Limited
(No Personal Liability)

THIS NOTICE IS DIRECTED TO THE HOLDERS OF SHARE WARRANTS:

TAKE NOTICE that the Annual General Meeting of the Shareholders of SYLVANITE GOLD MINES, LIMITED (No Personal Liability), will be held at the Office of the Company on its Mine Property at Kirkland Lake, Ontario, on Thursday, the 25th day of June, 1936, at two o'clock in the afternoon (Eastern Standard Time) to receive reports, elect Directors and Auditors and transact all such other business as may properly come before the Meeting.

ALSO TAKE NOTICE that—

(a) the Bearer of a Share Warrant may attend and vote at said Meeting in respect of the shares represented by such Share Warrant on production of his Share Warrant to the Secretary of the Meeting or to any other person appointed by the Chairman of the Meeting to inspect the same;

(b) any holder of a Share Warrant shall be entitled to attend in person or by proxy and vote at said Meeting in respect of the shares represented by such Share Warrant if, ten days at least before the day appointed for the Meeting, such Share Warrant is deposited with either the Transfer Agent and Registrar of the Company's Capital Stock, The Trusts and Guarantee Company, Limited, Toronto, Ontario, or the Liberty Bank of Buffalo, Buffalo, New York (named and approved by the Directors to act as Depositaries to receive deposits of Share Warrants for the purpose mentioned), which Depositary shall issue a Certificate setting out the name and address of the Bearer of such Share Warrant and certifying to the deposit thereof and the number of shares represented thereby and forward such Certificate to the Company at its Head Office or addressed to the Company, care of its secretary, at the undermentioned address, so as to reach it before the time appointed for the said Meeting, and the person or corporation whose name and address shall appear in such Certificate or his, her or its proxy shall be entitled to vote in respect of the number of shares represented by the Share Warrant or Share Warrants so deposited as appears by such Certificate; the names of more than one as joint holders of a Share Warrant shall not be received; a Share Warrant or Warrants so deposited shall be retained by the Depositary until after the said Meeting or any adjournment thereof shall have been held.

Proxy forms may be obtained from either of the said Depositaries.

A copy of the Company's Annual Report for the fiscal year ended March 31st, 1936, may be obtained by any holder of a Share Warrant upon application to the Secretary.

Dated May 26th, 1936.

By Order of the Board,

W. S. WALTON,
Secretary.
603 Royal Bank Building,
Toronto, Ontario.

N. C. URQUHART & CO.
STOCK BROKERS
Members Toronto Stock Exchange
15 King Street West
Toronto, Ont.
ADel. 6028

Officials Unaware Of McMillan 'Deal'

From Our Own Correspondent

SUDBURY.—The sudden activity and strengthening of the stock of McMillan Gold Mines on the Toronto Stock Exchange recently was attributed to reports that a deal was pending which would mean the acquisition of the mine, mill and plant by other mining interests.

Officials of McMillan in Sudbury, however, stated they knew nothing of any proposals being made to take over the property. The company is engaged, it is stated, in preparing a complete inventory of supplies, plant and equipment.

In connection with the rumors of a probable deal, it is known that a Sudbury director of the company, who was not very favorable to the winding up of the company, has been in Toronto and the understanding here is he is in contact with interests who would like to give the McMillan another chance.

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B. C. Chamber of Mines Issues New Mines List

Aimed at serving as a mailing list for business houses in British Columbia, a revised list of British Columbia mines has been published by the British Columbia Chamber of Mines.

We recommend purchase at the market
BLUE STAR
Information upon request.
Lloyd Lott & Company Limited
401 Bank of Hamilton Bldg., 67 Yonge Street, Toronto
WAverley 2989

NORTHERN CANADA MINING CORPORATION, LIMITED
New mines financed, managed and developed to production.
44 Victoria Street, Toronto, Can.

O'Brien Gold Mines, Ltd.
We have prepared a circular on this mine, copies of which may be had on request.
Bongard & Company
80 KING ST. WEST, TORONTO. EL. 5381
GUELPH KITCHENER WINDSOR HAMILTON
The Toronto Stock Exchange
Winnipeg Grain Exchange
Chicago Board of Trade
New York Curb (Assoc.)
Montreal Stock Exchange
Montreal Curb Market
Commodity Exchange, Inc.
Canadian Commodity Exchange Inc.

JACKSON BROS.
GRAIN COMPANY LIMITED
HURON & ERIE BLDG. — WINNIPEG
STOCK EXCHANGE BLDG. — VANCOUVER
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Investigate Now!
FREE — NEW UP-TO-DATE 3-COLOR MAP OF THE PORCUPINE AREA
We have prepared a new, up-to-date 3-color map of the Porcupine Gold Area. In our opinion, this map merits the attention of present or prospective investors in the splendid profit opportunities of this area. Complete the coupon below NOW.
TELEPHONE WAVERLEY 2354
TO MINERAL ESTATES LIMITED,
Head Office: 34 King St. E., Toronto, Ont.
Gentlemen: Please send me 3-color map of the Porcupine District and full information concerning Mineral Estates Limited.
NAME ....
ADDRESS ....

Expansion Aim Of New Plans For Home Oil

Dividend Payments To Be Resumed This Year

BRANCHING OUT

From Our Own Correspondent

VANCOUVER.—Home Oil Co. announces expansion plans of considerable magnitude. Originally formed to produce oil in the Turner Valley and distribute it in coast cities, the company has branched into several other fields, and its present holdings in mine properties are extensive.

In addition to holdings in Pacific Eastern, where promising results have been reported during the last few days, Home Oil has a large stake in Placer Engineers. Now it is planning to investigate several new fields in Alberta with a view to using its drilling equipment for test wells in co-operation with other companies.

With liquid position at approximately $1 million, shareholders have agreed to a proposal to resume dividend payments this year.

Col. Nelson Spencer, president, reported to the annual meeting that a majority interest in the company is now held outside British Columbia, and he hoped this situation might soon be altered so as to return control to interests in this province.

Report Boosts Shares of P. E.

Dr. Victor Dolmage Optimistic Over New Vein

From Our Own Correspondent

VANCOUVER.—Optimistic report by Dr. Victor Dolmage on Pacific Eastern ore sent the stock of that company soaring last week. Dr. Dolmage reported that on the west drift there is a vein of 96 ft. with an average width of 12 inches, carrying values of .58 ounces gold per ton, which works out at slightly more than $20. The vein is showing marked improvement toward the west.

A programme of development submitted by Mr. R. H. Stewart, consulting engineer, was approved, consisting of drifting on the vein to the east and exploring the west vein beyond the fault by further drifting, with the object of later sinking a winze on this vein to explore at greater depth. Mr. Stewart also recommended a diamond drilling programme to test the vein at a lower level.

New Firm Is Organized To Finance B. C. Mines

The announcement of the formation of a new firm, MacGregor, Twaites & Gray, Ltd., to specialize in mine finance has been made in Vancouver.

The formation of this firm brings together three names well known in British Columbia financial circles. J. T. MacGregor, president of the new company, is a past president of the Vancouver Stock Exchange, and is considered an authority on the various mines in the province. William J. Twaites, vice-president and secretary-treasurer, has been in the brokerage business in Vancouver for 17 years. He has also been connected with the Vancouver Stock Exchange in an official capacity.

N. W. Gray, third member of the firm, has lived in Canada for 30 years, with the exception of four years spent in Bolivia.

Lava Cap Gold Nets $72,336 1st Quarter

Lava Cap Gold Mining Corp. for the three months ended March 31, 1936, reports net profits for the period of $72,336 after taxes and charges, but before depletion. Gross production was 20,110 tons, with a value of $277,087 or an average of $13.77 per ton. Mining costs including development were $6.29 a ton; milling 81 cents per ton; transportation and miscellaneous expenses 63 cents a ton, making a total cost of $9.43, leaving a net profit of $4.34 per ton, on the ore treated for this period. The balance sheet as of March 31, 1936, shows current assets of $219,049 against current liabilities of $45,594.

Blue Star Mines Gets Good Channel Assays

Assays of channel sampling from the new vein on the property of Blue Star Mines lying parallel to and some 600 ft. south of the No. 1 vein, returned values of $25.20; $22.40; $30.10; and $23.10 gold per ton, with gold at $35 an oz. across a width of 44 inches, officials of the company inform The Financial Post. The quartz and sulphide vein in question has been opened for a distance of 60 ft. to date.

Samples taken from test pitting on No. 3 or Blue Quartz vein, assayed $210.70, $224 and $106.40, it is claimed.

All Ontario Gold Areas Help in Record Output

Ontario's gold production for the first quarter of 1936 has again topped all previous records, according to figures supplied by the Ontario Department of Mines. Total from all sources, gold mines, and nickel, copper refining, was 557,380 ounces as against 500,299 during the first three months of 1935.

In the production figures it is noticeable that several new large tonnage producers have been added to the ranks of the gold mines, and that many smaller producers have added their quota. This expansion is, of course, the result of the two years intensive exploration which followed as a result of higher gold prices. From every area come indications that 1936 will be another record year.

During the quarter under review, one of the most interesting developments was the re-opening of the Canadian Associated Goldfields property in Larder Lake, under the name of Omega Gold Mines. This property was brought into production, as previously reported, early this year, with a tonnage of 500 tons per day.

The Kirkland Lake camp has been enlivened by the discovery of high-grade ore on the 500-ft. level of the Bidgood Kirkland property. In the first quarter of the year, the Kirkland Lake producing mines increased the value of their gold production from $8,005,374 in 1935, to $8,473,823 in the first quarter of 1936.

At Porcupine the successful development of the Pamour property, under Noranda's guidance, has widened the producing zone, and resulted in renewed exploration, both to the east and west of the producing belt. With Pamour Porcupine in production, as reported in a recent issue of The Financial Post, it is to be expected this camp will show marked increase in 1936, especially in view of the fact that the eight regular producers have increased both grade and tonnage in the first quarter of the year.

Sudbury Field

To the west of Matachewan, in the Chester-Yeo area, the Gomac property is building a 50-ton mill, as is the Bousquet mine southwest of Sudbury. The McMillan Gold Mines property has closed down in this area.

In the Michipicoten and Goudreau areas, the list of four regular producers has been decreased by the closing down of the S. B. Smith mine. However, a newcomer, the Shenango, near Oba, started its 50-ton mill in March.

There appears little doubt that the Little Long Lac area will also show increased production this year and in 1937. Developments at MacLeod Cockshutt and Hard Rock, where drilling has indicated high values, is at least encouraging for the expansion of this field. Little Long Lac Gold Mines continues to show expanded operations.

The re-entrance of Kenora and Rainy River into the list of producing areas is another feature of the recent mining picture in Ontario. This district showed three properties in production in the first quarter of the year, the Wendigo, Duport, and Kenora Prospectors and Miners. Other properties, such as Blue Star, Kenricia, Gold Creek, Muton Long Lac, Franklin, Regina, Big Master, and Clark Gold, are active and possible producers.

Consistent Mine

Thus in every area of the province, are indications supporting the prediction that the gold output of Ontario, which, in the first quarter century of its history has never failed to show an annual increase in production, will maintain this record by a wide margin in the coming years.

The following tabulations show how the various individual producing properties have behaved in the first quarter of the year as compared with the first quarter of 1935.

The tables are based on information supplied by the Ontario government, values throughout being in Canadian funds:

Porcupine

Anglo-Huronian (Vipond)

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	113,472	114,427
Tons milled	26,629	25,892
Rec. per ton ....$	4.26	4.42
Tons daily	292	281

Buffalo Ankerite*

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	376,146	310,532
Tons milled	61,665	45,867
Rec. per ton ....$	6.09	6.77
Tons daily	677	498

*1st quarter includes Marbuan production.

Coniaurum

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	353,044	315,240
Tons milled	41,485	41,150
Rec. per ton ....$	8.51	7.66
Tons daily	455	447

Dome

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	1,756,705	1,807,222
Tons milled	139,200	137,700
Rec. per ton ....$	12.62	13.12
Tons daily	1,529	1,496

Gillies Lake

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	23,550	......
Tons milled	3,586	......
Rec. per ton ....$	6.56	......
Tons daily	40	......

Hollinger

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	3,219,826	4,143,328
Tons milled	434,766	463,718
Recovery per ton ....$	7.40	8.93
Tons daily	4,777	5,040

Hollinger-Ross*

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	29,749	......
Tons milled	6,323	......
Recovery per ton .....$	4.70	......
Tons daily	69	......

*Hislop twp.

McIntyre Porcupine

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	2,035,851	2,479,157
Tons milled	218,700	145,700
Recovery per ton ....$	9.30	17.01
Tons daily	2,403	1,584

Paymaster

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	211,898	180,955
Tons milled	31,005	26,618
Recovery per ton ....$	6.83	6.80
Tons daily	340	289

Kirkland Lake

Barry-Hollinger*

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	8,311	20,593
Tons milled	570	9,120
Recovery per ton .....$	14.58	2.26
Tons daily ....$	...	99

*Clean up in 1st quarter. Closed in January.

Bidgood Kirkland

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	54,594	22,770
Tons milled	5,045	5,668
Rec. per ton ....$	10.82	4.02
Tons daily	55.43	.62

Kirkland Lake Gold

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	192,841	205,826
Tons milled	21,146	19,972
Rec. per ton ....$	9.11	10.31
Tons daily	232	217

Lake Shore Gold

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	4,141,550	4,127,310
Tons milled	222,053	213,965
Rec. per ton ....$	18.65	19.29
Tons daily	2,440	2,325

Macassa

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	307,637	297,552
Tons milled	17,329	17,881
Rec. per ton ....$	17.75	16.64
Tons daily	190	194

Sylvanite

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	506,686	502,000
Tons milled	38,838	38,349
Rec. per ton ....$	13.04	13.09
Tons daily	426	417

Teck-Hughes

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	1,139,902	1,251,867
Tons milled	90,745	101,073
Rec. per ton ....$	12.56	12.39
Tons daily	997	1,098

Toburn

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	160,064	189,892
Tons milled	8,230	8,735
Rec. per ton ....$	19.45	21.74
Tons daily	90	95

Wright-Hargreaves

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	1,900,374	1,929,867
Tons milled	95,490	96,887
Rec. per ton ....$	19.90	19.92
Tons daily	1,049	1,053

Omega Gold*

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	61,864	......
Tons milled	17,352	......
Rec. per ton ....$	3.56	......
Tons daily	190	......

*Mill started Jan., 1936.

Matachewan

Ashley

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	85,730	128,415
Tons milled	13,184	13,004
Rec. per ton ....$	6.50	9.87
Tons daily	145	141

Matachewan Consol.

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	99,755	104,471
Tons milled	13,380	13,417
Rec. per ton ....$	7.45	7.79
Tons daily	147	145

Young-Davidson

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	143,172	237,938
Tons milled	63,942	67,663
Rec. per ton ....$	2.23	3.52
Tons daily	703	735

Algoma

Darwin Gold*

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	61,906	......
Tons milled	3,977	......
Rec. per ton ....$	15.56	......
Tons daily	43	......

*Mill started Nov., 1935.

Minto

	1st Quart. 1936	12 mos. 1935
Total recovery ....$	42,474	196,252
Tons milled	9,184	34,890
Rec. per ton ....$	4.62	5.62
Tons daily	100	95

Parkhill Gold*

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	79,849	75,634
Tons milled	5,625	5,281
Rec. per ton ....$	14.19	14.32
Tons daily	62	57

*Includes recovery from ore purchased from S. B. Smith mine.

Thunder Bay

Ardeen

	1st Quart. 1936	4th Quart.* 1935
Total recovery ....$	51,671	22,406
Tons milled	9,032	4,779
Recov. per ton ......$	5.72	4.69
Tons per day	99	....

*Mill closed Jan. to Nov., 1935.

Little Long Lac

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	309,746	334,273
Tons milled	18,590	17,990
Recov. per ton ....$	16.66	18.58
Tons per day	204	195

North Shores

	1st Quart. 1936	12 Mos. 1935
Total recovery ....$	7,586	28,097
Tons milled	529	994
Recov. per ton ....$	14.34	28.25
Tons per day	58	...

Northern Empire

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	211,035	213,370
Tons milled	15,894	13,194
Rec. per ton ....$	13.27	16.17
Tons daily	175	143

St. Anthony

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	45,209	*119,888
Tons milled	8,588	10,978
Recov. per ton ....$	5.26	10.92
Tons per day	94	119

*Includes tailings.

Tashota

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	103,742*	45,021
Tons milled	5,789	5,243
Recov. per ton ....$	17.92	8.59
Tons per day	64	57

*Excludes value of 83,003 lbs. copper.

Kenora & Rainy River

Duport

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	49,284	......
Tons milled	442	......
Recov. per ton ....$	111.50	......
Tons per day	......	......

Wendigo*

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	6,875	......
Tons milled	2,986	......
Recov. per ton ....$	2.30	......
Tons per day	......	......

*Includes 2,202 tons milled from old mine dumps.

Patricia

Central Patricia

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	268,190	277,275
Tons milled	12,068	11,232
Recov. per ton ....$	22.22	24.69
Tons per day	133	122

Howey

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	328,046	347,348
Tons milled	132,772	131,368
Recov. per ton ....$	2.47	2.64
Tons per day	1,459	1,428

McKenzie Red Lake

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	159,859	179,038
Tons milled	12,576	11,712
Rec. per ton ....$	12.71	15.29
Tons per day	138	127

Pickle Crow

	1st Quart. 1936	4th Quart. 1935
Total recovery ....$	394,618	355,712
Tons milled	14,057	13,801
Rec. per ton ....$	28.07	25.77
Tons daily	154	......

Hedley Area In Spotlight, Mill Planned

Old Nickel Plate Property Again Being Worked

GOLD MT. ACTIVE

From Our Own Correspondent

VANCOUVER. — Hedley Amalgamated Gold Mines near Hedley recently completed an extensive diamond drilling programme and it is probable that a mill will soon be under construction on a site already selected. It will probably have a capacity of 100 tons.

A tunnel more than 1,000 ft. long is being driven through the mountain to tap ore bodies revealed by the diamond drill and the objective will probably be reached in the next 500 ft.

Several properties in the Hedley district were recently visited by a party of Vancouver businessmen, and they were impressed with the spirit of optimism in that section. The old Nickel Plate property, once regarded as one of the greatest lode gold mines in the Empire, is being operated again, most of the ore coming from the Mascot fraction.

Another Hedley mine, known as Gold Mountain, is nearing the mill stage. E. H. Adams, vice-president of B. C. Electric, and Dr. Alfred Thompson are president and vice-president of the new company which controls the Mascot enterprise, having acquired it from Duncan Wood, the owner for 37 years, who resisted the efforts of the original Nickel Plate interests to buy him out.

Oil Showings Near Regina

Oil Shows in Log of Simpson Oil Co.

From Our Own Correspondent

REGINA.—What has the appearance of being an oil strike is being developed at Simpson, 90 miles north of Regina by the Simpson Oil Co., a Saskatchewan-owned organization.

The well's log shows that at 2,007 ft. a thick vaseline was found; at 2,030 ft., a finer grade, but still thick and at 2,096 ft., free oil. Indications are that where the drill is exploring an oil shale exists from the 1,990 to the 2,139-ft. level.

This property is not far from the No. 1 well of the company, now producing salt. As at result of oil and gas findings during the boring of No. 1 hole the company decided to bore a second hole, which if it did not produce oil or gas would at least go down to a salt bed. Present indications favor an oil flow.

The original well at an elevation of 1,768 ft. was bored to a depth of 3,445 ft., just below the salt bed which extended from 3,420 to 3,432 ft. A show of oil occurred at the 2,116 ft. level.

Mineral Estates Sets Five Crews to Work

Douglas Banks, president of Mineral Estates Ltd., reports, after a visit to the company's property at Porcupine just west of Timmins, that five crews are now engaged in surface exploration on various sections. At the present time this work is proceeding on the company's holdings in Godfrey Twp. southeast of Turnbull Twp., northeast, west and southeast of Carscallen Twp.

Most of the work to date has been concentrated on the northeast section of Carscallen Township. Drilling was started in Godfrey Twp. about three weeks ago, results of which are not yet available.

Bousquet Gold In Production

McMillan Failure Does Not Stop West River Activity

From Our Own Correspondent

SUDBURY.—The unfavorable turn of events in the history of McMillan Gold Mines has by no means discouraged other operators in the West River district from going ahead energetically with development programmes.

Three companies are at present engaged in prosecuting work, and one of them, Bousquet Gold Mines, is just now entering production. Total indicated ore above the 300-ft. level is about 20,000 tons, of an average estimated grade of $18 per ton, officials state.

A few days ago a Sudbury diamond drilling firm commenced a drilling campaign for Harwood Lake Mines, the objective being to prove up at shallow depths the occurrences encountered on the surface and in three test shafts which were put down last year. About 2,000 ft. of drilling will be performed, and this programme will be enlarged depending upon results secured.

Fox Lake Gold Mines, a short distance northwest of the McMillan, is continuing active exploration, and W. F. Adams, in charge, states this year will witness considerable diamond drilling to test the mineralized zone which has been disclosed in surface work and test pits, and to determine the best location for a shaft which it is planned to sink.

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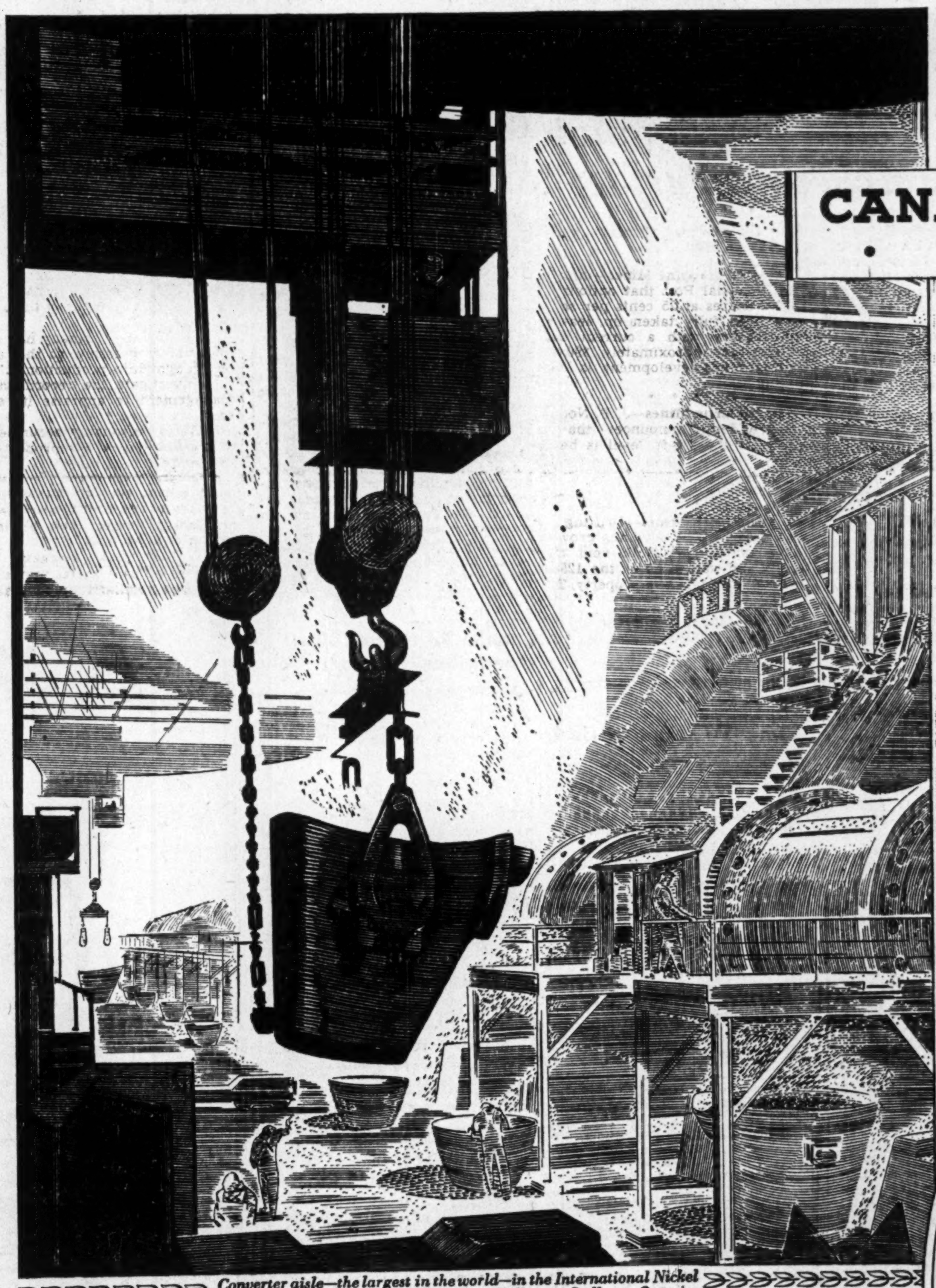

Converter aisle—the largest in the world—in the International Nickel Company's smelting plant at Copper Cliff near Sudbury, Ontario.

BLASTED FROM THE MINE, crushed to a powder, bathed in water to settle out the rock particles, roasted, melted, refined, the rugged ore from Canada's Nickel mines is finally transformed into that silvery, rust-proof metal used in your new Monel Metal Sink.

It takes 10,000 tons of ore each day to satisfy the capacity of the giant smelting and refining plant near Sudbury. Fifty million dollars were expended but a few years ago to enlarge and modernize this plant—$7,200,000 paid in direct wages alone. The converter aisle illustrated above is the largest in the world.

And still expansion continues. Additions now under way will cost eight millions more. For as the research and sales departments of this great Canadian industry develop new uses, the demands for Nickel continue to grow. In steel for bridges, locomotives, automobiles, tractors; in cast iron for machinery and equipment, Nickel imparts greater strength, longer wear. It is alloyed with bronze, chromium and other metals to produce many desirable properties.

Monel Metal, containing two-thirds Nickel and one-third copper, has solved scores of problems in industry and homes. Meat packing and canning plants use it because it is rust-proof, corrosion resistant, long-wearing, and does not harbour stale flavours. Laundries use it because it will not stain or harm the wash. In hotel and restaurant kitchens it has proved to be the most satisfactory material over a period of twenty-five years.

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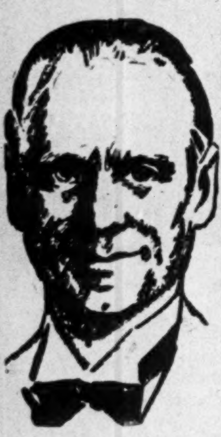
"The Money Mystery" by Sir Norman Angell

Noted Writer Deals With Money and Credit In Plain Language

When Paper Money Schemes Succeed

This is the ninth of a series of articles on the operation of money and credit by Sir Norman Angell.

Before we examine one or two cases in the past in which paper money has been successfully and usefully employed, we might look first at its successes in the present.



SIR NORMAN ANGELL

The nearest and most striking of these successes is the British pound. It is now (1936) and has been for nearly five years a paper pound in the sense that it does not equal or represent a given quantity of gold, nor is it convertible into gold. It represents nothing but itself. Its value is what it will buy, which is the supreme test of any money, whatever it may be made of. And by this test; its purchasing power, its value, has been just as stable as the gold moneys (if, indeed, it has not been more stable.) It should be remembered, moreover, that the pound has been "off gold" twice since the war, and that when it was subject during the war to all the fluctuations of war finance, there did not happen to it, to anything like the same degree, what happened to the franc, the lira, the mark. Why was this?

Wealth of Empire Behind Pound

It was because the wealth of England or the Empire "stood behind" the pound. It was because the method of finance pursued by England stopped short of methods which involved an indefinite multiplication of the pound.

The methods pursued in France, Italy, Belgium, Austria, Germany and Poland were not subject to similar restrictions.

Let us note the difference.

During the war governments raised loans in vast amounts.

The money for these loans is found by a process something like this: Smith has $5,000 or £1,000—or the equivalent in francs or marks, available at his bank. The government asks him to subscribe to $5,000 worth of a new loan. The patriotic Smith does so, and deposits with the bank the $5,000 of War Loan bonds. A second loan is raised, and the banks, pressed by the government, announce that they will make loans or permit overdrafts, accepting government bonds of the former War Loan as security. Smith avails himself of the opportunity and accepts an overdraft of $4,000 for the purpose of purchasing $4,000 of the new loan.

The government shortly needs a new loan, No. 3. The bank announces that if Mr. Smith cares to subscribe to the new loan the bank will advance $3,500 on the security of loan No. 2. Mr. Smith purchases $3,500 of loan No. 3 with the $3,500. The scrip of War Loan No. 3 is accepted as security for a new overdraft of, say $3,000 for the purchase of bonds of a fourth War Loan; and so on and so on. But where then is the actual money, the paper money or currency notes, to come from for all this investment? It has, of course, to be printed. And it is evident that if this process were to be indefinitely extended there would be brought into being tons and tons and tons of paper money, as happened in Germany during the period of inflation.

Success Due to Taxation

The difference between Great Britain and France was, broadly, that Britain knew when to stop the process and could stop it, and France could not (Germany is left out on account of the introduction in her case of the special circumstances of reparations payments.) But Great Britain, like France, had to find the money for the war. How did Britain do it if not by the process described? She did it in large part by taxation. France taxed in much less degree. Note the difference. The British Government said in effect to the British Mr. Smith with his £1,000; "We do not ask you now to buy War Loans and then borrow from the bank on the security of the loan in order to buy more War Loan. We ask you to pay to the tax-collector half of the £1,000 which you possess." In this way new money was not created. The government used the existing money. Mr. Smith had less to spend; having less to spend, prices were kept down, and to the degree to which taxation was used as a substitute for borrowing, inflation was avoided.

Now note the difference between the conditions of war-time finance and peace-time finance. In war time the government raises a loan; a citizen subscribes $5,000 and gets a bond. The government spends the $5,000 on a few shells (that is to say, takes from the stock of food and supplies to keep workmen going while making the shells,) fires them off, and that is the end of the business. It has not created anything wherewith to pay off the loan. It has diminished the available "capital" (food, etc.), but not the money. Prices raise. The bondholder needs a bank loan; pledges his bond (which stands for no new addition of goods) subscribes to another loan, and the same process goes on; all the time more money, all the time less goods.

But suppose instead of shells the government used the $5,000 loan, and the new currency notes issued in consequence of the loan, to build a house; and when built sells it to the public for something over $5,000 and with that money redeems the bond; or that the government, keeping the house, lets it. The government would then be receiving money wherewith to pay the interest on the loan. In either case the government would have created a means of cancelling its debt. There would be an addition to goods equivalent to the addition of money.

Paper Money Sometimes Safe

The fact that paper money, fiat money, can be perfectly safe, is, then, demonstrated by the British and in a lesser degree American experience.

We should, indeed, misread history if we did not take into account the entirely successful attempts to finance public need by inconvertible paper money. There have been such successes when the necessary conditions have been fulfilled. Furthermore, it may be said of some of the belligerents in the Great War, as it might have been said of the Confederacy, and the greenbacking of the North, that inflation presented the quickest and easiest means of taxation; that no other form of taxation could have operated at such junctures. The evil is not that such measures should be used as exceptional expedients for exceptional occasions, consciously adopted, but that public opinion should push or permit goverments to use these means when less disastrous ones are available, under illusory notions about money and its management. The device can so easily drag a community into utter financial chaos and ruin, that no piece of economic knowledge is more important than an understanding of what is involved in these inconvertible paper money ventures.

The paper money failure of the American colonies was referred to because, being on a small scale and within simple limits, the outcome can be followed. For the same reason, the story of an experiment in inconvertible paper money (also on a scale small enough to be clearly followed) which succeeded, should be added and placed in juxtaposition.

One Historic Instance

The story of the Guernsey Market House has figured in many a currency debate, and has been so often taken as showing that it is open to a community to escape the burden of interest and the usual inconveniences of loans, that the history of what took place is worth noting.

The records show that the meat market of the island of Guernsey, still standing, was built without any loan at all—merely by the issue of pound notes, created for the purpose, and gradually paid off as the rents came in. The Guernsey States in effect said this:

> "We propose to build a market house. We will issue one-pound notes, with which we will buy material and pay the workers. Those who use the house must pay rent or charge in these notes. As they come in they will be destroyed. Ultimately they will all be destroyed and the island will have the house."

"And will pay nothing for it," argue certain ardent currency theorists. But that, plainly, cannot be true. Somebody had to grow and supply the food which the workers consumed while the house was being built. What did those producers get in return? Did the population by these devices really escape the burden of interest or its equivalent?

This historic example of a successful paper money experiment deserves especial attention, and the next article will be devoted to it.

18
BACHELOR

The BACHELOR'S COLUMN

Birdie!

Now that summer is really here, half the male population seems to be concentrating on the annual problem of how to sink a three foot putt . . . Or cure a slice . . . And crusty old captains of industry and finance have to humiliate themselves by taking six in a bunker . . . and accepting a stroke a hole from hefty youngsters who don't know the difference between collateral and discount . . . But whether you shoot a snappy seventy or are still trying to break a hundred, you'll be perfectly satisfied with a fragrant Bachelor at the nineteenth hole.

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Gross Income Of Railways Moves Ahead

Higher Expenses Offset Much of Gain in Four Months

NET $85,000 UP

From Our Own Correspondent

MONTREAL.—Volume of traffic on Canadian railways, as evidenced by operating revenues, shows an increase of about 7.25 per cent over that for the corresponding period of 1935.

Both the Canadian National and Canadian Pacific Railways have shared in the improvement. During April gross revenue of the two lines amounted to $25.6 millions as against $23.9 millions a year ago.

Increased operating expenses, reflecting in part the heavier movement of traffic, but largely an increase in labor costs, continue to hold down net income.

Hold Down Net Revenue

Despite the larger revenues in April, net revenue of the two lines was under $2.8 millions, compared with over $2.9 millions a year ago. The Canadian National reported a decline in net revenue of $71,689 and the Canadian Pacific Railway a decline of $75,140.

For the first four months of 1936 gross railway revenues of the two lines totalled about $95.2 millions as against about $88.8 millions for the corresponding period last year.

Much of this gain was lost in higher expenses, net revenues at around $5.7 millions showing an increase of only $85,000 above the returns for 1935.

The breakdown of figures shows that the Canadian Pacific Railway's net revenues to date this year are $650,868 ahead of those in 1935, while the Canadian National's net income declined $476,646.

Catelli Food Shares Called for Trading

From Our Own Correspondent

MONTREAL.—Catelli Food Products new capital shares have been called for trading on the Montreal Curb Market on a "when, as and if issued" basis. This listing covers 40,000 shares of 5 per cent cumulative preferred stock of $15 par value and 46,000 shares of no par value common stock.

The old preferred and common shares of Catelli Macaroni Products were removed from the list at the close of business on May 23.

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JAMES W. SEWALL
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PHILLIPS & BENNER
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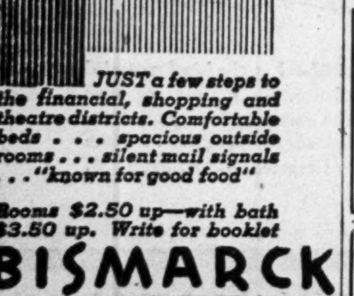

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CHICAGO

Huggard Police Investigation "Only Scratches the Surface"

John J. Huggard, Seaforth, Ont., lawyer, is being sought by police of Canada and the United States, and an estimated loss of $125,000 to small investors is believed to lie behind the lawyer's flight, early in May, from his home in Seaforth. Clients' securities, held by Huggard, are missing from 65 safety-deposit boxes.

A chronological review of the case to date follows:

April 29: John J. Huggard last seen in Seaforth.

May 12: Police commenced examination of 65 safety-deposit boxes.

May 13: Loss to Huggard's clients said to total $125,000. Huggard, sought on charge of theft of $2,000, reported to have telephoned a friend, from New York, asking for financial assistance.

May 15: Gordon MacLaren and Robert S. Fletcher, Toronto brokers, bound over as material witnesses in Huggard case. Both witnesses bonded.

May 16: Huggard shortages estimated at $175,000.

May 18: Huggard adjudged a bankrupt, believed to be in New York.

May 19: Robert S. Fletcher arrested on charge of theft of $7,500, based on alleged forgery of a power of attorney of Alexander Campbell, Seaforth retired farmer, in 1935.

May 22: Fletcher, and MacLaren, also under arrest, appeared before Magistrate Makins, of Goderich, Ontario, charged with forging and uttering a power of attorney. Remanded to May 28. Crown Attorney D. E. Holmes stated, "The police have more or less only scratched the surface of the Huggard investigation. Other registered bonds are missing in the Huggard affair and we have reason to believe they have passed through the hands of the same account."

May 23: MacLaren released on $5,000 bail. Fletcher remains in custody.

Quebec Power Co. Segregates Rails

From Our Own Correspondent

MONTREAL.—Interests acting for the Quebec Power Co. have applied to the Dominion Government for incorporation of the Quebec and Montmorency Railway Co.

Since 1895 Quebec Railway, Light and Power Co., a subsidiary of Quebec Power, has operated a tramway system in Quebec City and a line of railway extending some 30 miles from Quebec to Cap Tourmente on the north shore of the St. Lawrence River and passing through Montmorency Falls and St. Anne de Beaupre. This line is known as the Montmorency division of the company and connects with the C.N.R. and the C.P.R., the former having running rights over the line to Murray Bay.

It is now proposed to incorporate a new company to acquire and operate the Montmorency division as a separate undertaking, inasmuch as the tramway division provides transportation services of a different character for the city and district of Quebec.

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H. S. Garland Elected To Montreal Curb

From Our Own Correspondent

MONTREAL.—H. S. Garland has been elected a member of the Montreal Curb Market. Son of H. Simpson Garland, former chairman of the Montreal Stock Exchange, Mr. Garland will act for himself on the floor of the Montreal Curb Market.

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Groundwood Pulp Prices Strengthen

From Our Own Correspondent

MONTREAL.—Groundwood pulp prices have shown greater strength during the current year and expectations are for a further advance before the end of 1936.

From 1927 to 1929 the average price of groundwood pulp was $28 a ton. From then on prices declined, reaching a low of $18 in 1935. Since the turn of the year prices have stiffened and groundwood is presently quoted at between $22 and $24 a ton.

This advance is of particular importance to the Canadian industry as exports of groundwood pulp to the United States are only of nominal proportions, the greater percentage of production being retained for further conversion in domestic mills. However, the advance in groundwood prices should help manufacturers of newsprint paper in building up their claims for a better price for the finished product.

Canada Northern Power Operations on Larger Scale

MONTREAL.—In line with increased earnings, Canada Northern Power reports a power output for April of 47.9 million kw.h., an increase of 1.5 million kw.h. over the same month last year.

Cumulative production for the first four months of 1936 totalled 193.4 million kw.h., as against the corresponding total last year of 186.6 million kw.h., representing an increase of 6.7 million kw.h.

Southern New Brunswick Pulpwood Cut Is Larger

From Our Own Correspondent

MONTREAL.—Pulpwood operations in Southern New Brunswick are the most extensive of any season in the last ten years. According to A. J. Lacroix, manager of the Port Royal Pulp and Paper Co. and the St. George Pulp and Paper Co., this year's cut will be extra large to fill heavier demands.

The two companies in which Mr. Lacroix is manager have contracted for 71,000 cords of pulpwood, as against 13,000 cords last year.

It is estimated that between 3,000 and 4,000 cords of pulpwood will be cut in Saint John County and about 5,000 cords in King's County. About 10,000 cords will be cut in Charlotte County. Other counties where operations are under way include Westmoreland, Queen's, York, Sudbury, Carlton and Northumberland.

Empress Mfg. Co. Ltd. Has New Directorate

Through purchase of interests of John Morrin, one of the principals, and a number of private shareholders, W. R. Dowrey and J. L. Trumbull have become associated with C. D. Hunter and T. S. Hunter in ownership of the Empress Manufacturing Co. Ltd., one of British Columbia's oldest and best known food manufacturing industries.

Mr. Morrin will be succeeded as president by C. D. Hunter who has been connected with the company as vice-president and general manager since 1915. Other officers will be: W. R. Dowrey, vice-president; J. L. Trumbull, treasurer; Theo. S. Hunter, secretary and sales manager; G. W. Thompson, director.

The Empress Manufacturing Company established in 1901 are manufacturers and packers of jams, jellies, extracts, spices and a number of other food products, marketed principally under the Empress label.

Manitoba Fox Farms

Manitoba last year has 241 fox farms and 111 miscellaneous fur farms, a substantial increase in number over previous years.

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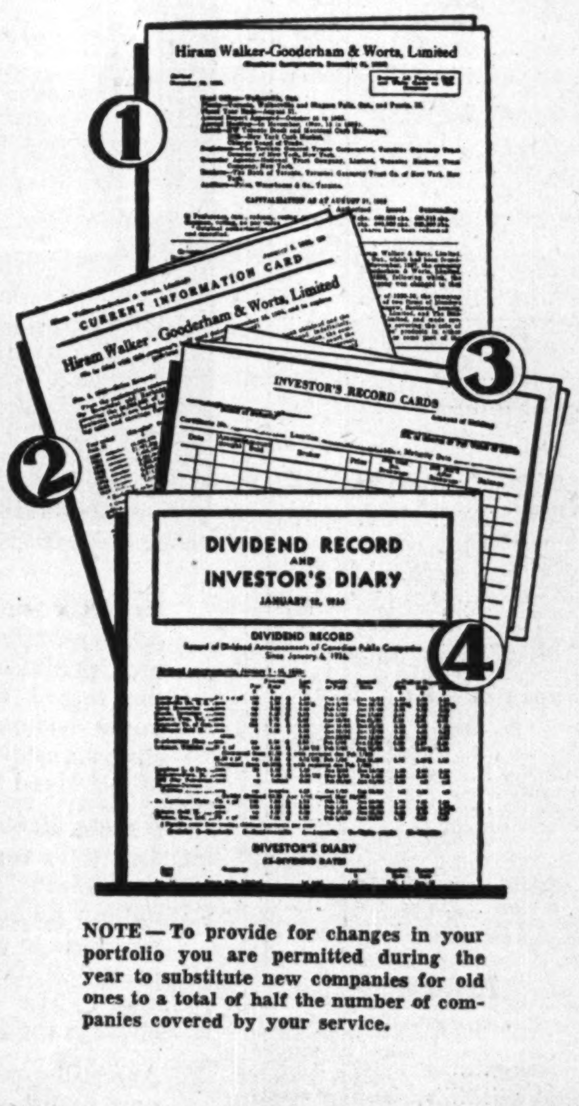

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